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NOTE:

The "Finance Committee" was renamed the "Budget Committee" on January 20, 1993.

The name reverted to "Finance Committee" on January 29, 1997.

The name was changed to "Finance and Labor Committee" on January 27, 1999.

DOCUMENTS DEPT.

JAN 17 1997 SAN FRANCISCO PUBLIC LIBRARY

REGULAR MEETING *BUDGET COMMITTEE *BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

15/97

90.07

WEDNESDAY, JANUARY 15, 1997 1:00 P.M.

VETERANS BUILDING 401 VAN NESS AVENUE ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:03 P.M.

BONDS

1. File 170-96-9. [Geary Courtyard Revenue Bonds] Resolution approving the reissuance of not to exceed \$18,000,000 aggregate principal amount of City and County of San Francisco Multi-Family Housing Revenue Bonds, 1988 Issue B; approving the amended and restated Lender Loan Agreement and Indenture of Trust; approving the amended and restated loan agreement; approving the first amendment to Regulatory Agreement and Declaration of Restrictive Covenants; approving the form of an amended and restated bond; ratifying previous actions; and authorizing the execution and delivery of documents and instruments. (Mayor's Office of Housing)

(Consideration continued from 12/11/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED. None.

ACTION: HEARING HELD, RECOMMENDED.

2. File 170-96-011. [General Obligation Bonds, Cultural Facilities] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: acquisition, construction and/or reconstruction of community cultural facilities which include such facilities as the Mission Cultural Center, Bayview Opera House, Center for African and African-American Art and Culture, South of Market Cultural Center, Art Commission Gallery, Gay/Lesbian Cultural Center, and Native American Cultural Center and all other works, property and structures necessary to convenient for the foregoing purposes, that the estimated cost of \$45,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisors Kaufman, Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Steve Agostini, Chair, Capital Improvements Advisory Committee; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney; Rich Newirth, Director, Art Commission. IN SUPPORT: Maria Martinez; Bernie Choden; Kola Thomas; Lenore Chin; Andrew Lisac; Randy Burns. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED "DO SUBMIT".

VOTE: 2-1. (Supervisor Brown absent.)

3. File 170-96-012. [General Obligation Bonds, Educational Facilities]
Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: acquisition, construction and/or reconstruction of educational facilities used or to be used by the San Francisco Unified School District or the City College of San Francisco and all works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of \$130,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisors Teng, Katz, Bierman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Steve Agostini, Chair, Capital Improvements Advisory Committee; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney; Chancellor Del Anderson, S.F. Community College; Bill Rojas, Superintendent of Schools, S.F. Unified School District. IN SUPPORT: Margaret Broklin, Coleman Children, Youth and Families; Lawrence Mock; Erika Delacorte; Lisa Kaborycha; John Erlich. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED "DO SUBMIT".

RESOLUTION PREPARED IN AND REPORTED OUT OF COMMITTEE ENTITLED: "File 170-96-12.1. [General Obligation Bonds, Educational Facilities] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: acquisition, construction and/or reconstruction of educational facilities used or to be used by the San Francisco Unified School District or the City College of San Francisco and all works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of \$140,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness." TO BOARD WITHOUT RECOMMENDATION. FULL BOARD REQUESTED TO SIT AS A COMMITTEE OF THE WHOLE ON TUESDAY, JANUARY 21, 1997. AT 3:30 P.M.

VOTE: 2-1. (Supervisor Brown absent.)

4. File 170-96-013. [General Obligation Bonds, Zoo] Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: acquisition, construction and/or reconstruction of San Francisco Zoo facilities and properties and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of \$48,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness. (Supervisors Yaki, Kaufman, Bierman, Teng)

SPEAKERS: ELECTED OFFICIAL: Supervisor Michael Yaki. DEPARTMENTAL REPRESENTATIVES: Steve Agostini, Chair, Capital Improvements Advisory Committee; Ed Harrington, Controller; Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney; David Anderson, Zoo Director. IN SUPPORT: Leslie Shu; Dianne Wong, John D. Malanta; Dianne Kuntnich; Dr. vert Sargents; Helen Weeks; John Haggin; Rosa Vega; Carlos Hernandez; Keith Eickman; Jeannie Hanney; Jack Sydner; Betty Palleck; Irene Donavan. OPPOSED: Susanne Barthell; Joan Girardot; Emeric Kalman; Phillip Carlton.

ACTION: HEARING HELD. RECOMMENDED "DO SUBMIT".

GENERAL

5. File 97-96-62. [Public Health Membership in Organizations] Ordinance amending the Administrative Code by amending Section 16.6-10 to authorize the Department of Public Health to join the University Healthsystems Consortium (UHC) and the University Healthsystems Consortium Services Corporation (UHCSC). (Department of Public Health) (COMPANION TO FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; H. Dwight Starr, Department of Public Health. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

6. File 97-96-63. [Public Health Access to UHC/UHCS Services] Ordinance amending the Administrative Code by adding Section 19A.36 to authorize the Director of Public Health to access all services provided by the University Healthsystems Consortium (UHC) and the University Healthsystems Consortium Services (UHCSC) including purchasing supplies and accessing clinical and financial databases. (Department of Public Health) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; H. Dwight Starr, Department of Public Health. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
On Page 2, line 8 add the following: "The Director of Public Health shall file a written report with the Board of Supervisors in May and November of each year, beginning in May of 1997, that will specify the cost savings to the City realized in the six months immediately prior to each report resulting from the City's conduct under the provisions of this Section."

7. <u>File 10-96-10</u>. [Major Encroachment Permit, Metricom, Inc.] Resolution granting major encroachment permit to Metricom, Inc., to mount 500 wireless radio repeater devices on City-owned light poles for a term of 24 months and adopting findings pursuant to Section 101.1 of the Planning Code. (Planning Department)

(From Housing and Land Use Committee meeting of December 12, 1996, for fiscal impact consideration.)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Denise Brady, Department of Public Works. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

8. <u>File 27-96-17</u>. [Airport - International Services Division] Resolution authorizing the Airport's International Services Division to exercise the powers necessary to allow the Division to promote and market the services of Airport staff to the public and private sectors. (Supervisor Kaufman)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; John Martin, Director of Airports. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

FEES

9. File 121-96-13. [Permit Fees for Tow Car Firms/Ramped Taxicabs]
Ordinance amending the Police Code by amending Sections 2.26 and 2.27,
relating to permit filing fees and permit license fees for tow car firms and
ramped taxicabs. (Police Commission)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

FISCAL

10. File 101-96-29. [Appropriation, Department of Human Services] Ordinance appropriating \$53,823, Department of Human Services, (\$18,591 from Federal Revenue and \$35,232 from General Fund Reserve) for salaries, materials and supplies, aid assistance, professional services and services of other departments to support the Welfare Reform Task Force for fiscal year 1996-97; providing for ratification of action previously taken. (Controller) RO #96129

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

11. <u>File 101-96-32</u>. [Appropriation, Department of Human Resources] Ordinance appropriating \$414,553, for professional services, other current services, materials and supplies and equipment for labor negotiation costs, for fiscal year 1996-97. (Controller) RO #96

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Andrea Gourdine, Director of Human Resources. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place \$265,450 on reserve. AMENDED TITLE: "Ordinance appropriating \$414,553, for professional services, other current services, materials and supplies and equipment for labor negotiation costs, for fiscal year 1996-97; placing \$265,450 on reserve."

911 COMMUNICATIONS CENTER

12. File 216-95-1.2. [Combined Emergency Communications Center] Ordinance selecting and setting certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) a subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC shall be constructed; and amending Section 6 of the Ordinance No. 80-96 to provide an elevation adjustment to allow for the construction of the underground parking structure for CECC. (City Administrator) (COMPANION TO FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mike Martin, Mayor's Budget Office; Steve Agostini, Director of Finance, Mayor's Office. IN SUPPORT: None. OPPOSED: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 2-1. (Supervisor Brown absent.)

13. File 170-96-10. [Lease Financing for 911 Center] Ordinance rescinding Ordinance 208-94 (Citywide Radio System Lease Financing); approving a site lease agreement between the City and County of San Francisco ("CITY"), as lessor, and the City and County of San Francisco Finance Corporation ("CORPORATION"), as lessee, relating to a portion of Assessor's Block 759, Lot 1, known as the Margaret S. Hayward Playground ("SITE"); approving a project lease agreement between the CORPORATION, as lessor, and the CITY, as lessor, of the 911 Dispatch Center to be constructed on the site (including certain indemnification provisions therein); approving an agency agreement between the CORPORATION and the CITY purposes; approving the issuance of Lease Revenue Bonds of the CORPORATION; approving a continuing Disclosure Agreement relating to said bonds; approving the circulation, execution and delivery of an Official Statement relating to said bonds; and providing for the execution of documents in connection with and ratifying previous actions taken in connection with the foregoing matters. (City Administrator) (COMPANION TO PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mike Martin, Mayor's Budget Office; Steve Agostini, Director of Finance, Mayor's Office. IN SUPPORT: None. OPPOSED: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.



510 07 CITY AND COUNTY 115197



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

January 10, 1997

TO:

Budget Committee

DOCUMENTS DEPT.

FROM:

Budget Analyst Reumandations Go meeting of JAN 14 1997

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SUBJECT: January 15, 1997 Budget Committee Meeting

Item 1 - File 170-96-9

This item was continued at the Budget Committee meeting of December 11, 1996. This report includes a new attachment (Attachment III) which contains information prepared by the Mayor's Office of Housing concerning the fiscal viability of the proposed bond reissuance.

Department:

Mayor's Office of Housing

Item:

Resolution (1) approving the reissuance of not to exceed \$18,000,000 aggregate principal amount of City and County of San Francisco Multifamily Housing Revenue Bonds (1988 Issue B); (2) approving the amended and restated lender loan agreement and indenture of trust; (3) approving the amended and restated loan agreement; (4) approving the first amendment to regulatory agreement and declaration of restrictive covenants; (5) approving the form and an amendment to construction and permanent deed of trust with assignment of rents and fixture filing; (6) approving the form of an amended and restated bond; (7) ratifying previous actions; and (8) authorizing the execution and delivery of documents and instruments.

Memo to Finance Committee January 15, 1997 Finance Committee Meeting

Amount:

Up to \$18,000,000

Source of Funds:

City and County of San Francisco Multifamily Housing Revenue Bonds

Description:

Mr. Joe LaTorre of the Mayor's Office of Housing reports that the Geary Courtyard Project (the "Project") is an existing 164-unit apartment building located at 623 Geary Street (between Leavenworth and Jones Streets). Construction of the Project was initiated in 1988 and completed in 1990. Twenty percent of the Project's rental units, or approximately 33 units, are reserved for low-income households at specified rents affordable to that income level. Attachment I, which is a memo from Mr. LaTorre, provides background and other pertinent information on the proposed Project. According to Mr. LaTorre, the reason that the bonds are being reissued is to improve the financial stability of the Project.

As stated in the proposed resolution, the City and County of San Francisco issued tax exempt Multifamily Housing Revenue Bonds, 1988 Issue B (Geary Courtyard Project) (the "Bonds"), in accordance with a Lender Loan Agreement and Indenture of Trust between the City, Capital Realty Investors Tax Exempt Fund III Limited Partnership (the "Prior Bondholder"), and Bankers Trust Company of California, National Association, as succeeded by First Trust of California, National Association, as trustee (the "Trustee"). The Bonds were issued in the amount of \$18,000,000 on August 1, 1988, and were sold on that date to the Prior Bondholder. According to Mr. LaTorre, the proceeds from the Bond sale amounted to \$18,000,000, which was also the amount of the loan to the Developer.

The City used the Bond proceeds to make a loan (the "Loan") to Geary Courtyard Associates, a California Limited Partnership (the "Developer"), pursuant to a Loan Agreement between the City, the Developer, and the Prior Bondholder, dated August 1, 1988, to provide financing for the "Project."

As a result of payment delinquencies on the Bonds by the Developer, an affiliate of the Prior Bondholder, who is to become the New Bondholder, namely Capital Realty Investor Tax Exempt Fund Ltd., became the general partner of the Developer in 1991, according to Mr. LaTorre. Further, Capital Realty Investor Tax Exempt Fund Ltd. (the "New Bondholder") intends to acquire the Bonds from the Prior Bondholder (Capital Realty Investors Tax Exempt Fund III

Limited Partnership), through a merger transaction with the Prior Bondholder.

According to the proposed legislation, the New Bondholder, at the time of its acquisition of the Bonds, intends to take the following actions:

- a. Forgive the Developer and forever discharge all interest on the Bonds (other than Construction Period Deferred Base Interest) which was not paid when due and request that the City forgive the Developer and forever discharge all corresponding unpaid interest accrued on the Loan.
- b. Delete all provisions pertaining to the payment of Contingent Interest from the Bonds, the Lender Loan Agreement and Indenture of Trust and the Loan Agreement, amend the interest rate on the Bonds to a rate which floats with the PSA (Public Securities Association) Index, and provide for the payment of interest on the first day of each month.
- c. Eliminate all provisions of remarketing ¹ from the Bond documents and extend the maturity date of the Bonds by 10 years to a date not later than December 1, 2018. The current maturity date of the Bonds is December 1, 2008.
- d. Reduce the principal amount of the Bonds by \$1,000,000, from \$18,000,000 to \$17,000,000, and add to such reduced principal amount of the Bonds and the Loan all unpaid Construction Period Deferred Base Interest owed by the Developer to the Prior Bondholder that has accrued as of the date the New Bondholder acquires the Bonds. As of the writing of this report, the amount of unpaid interest being added to the face value of the bonds is \$693,865.
- e. Convey the Bonds to US Trust Company of New York, as trustee of several newly-formed New York business trusts. In a secondary market transaction, the trustee intends to (a) place the Bonds in one of the New York business trusts with other multifamily housing revenue bonds issued by other issuers; (b) issue trust certificates representing interests in such pool of bonds held by the trusts to investors pursuant to a private placement; and

According to Mr. LaTorre, remarketing of bonds is the purchase of bonds by a designated remarketing agent from an existing bondholder and, in turn, the sale of those bonds to other investors.

(c) credit enhance the trust certificates with a letter of credit.

According to the proposed legislation, approval of the proposed resolution would cause the City to take the following actions:

- a. Extend the term of the "Regulatory Agreement and Declaration of Restrictive Covenants" from 2008 to 2018;
- b. As the "applicable elected representative" of the City under Section 147 (f) of the Internal Revenue Service Code, the Board of Supervisors would approve the reissuance, execution and delivery of the Bonds to satisfy the public approval requirements of Section 147 (f) of the Code;
- c. Approve the form of the Amended and Restated Loan Agreement submitted to the Board of Supervisors, with such additions, corrections, and revisions as may be necessary or desirable as determined in accordance with the terms of this proposed resolution;
- d. Approve the form of the First Amendment to the Regulatory Agreement and Declaration of Restrictive Covenants submitted to the Board of Supervisors, with such additions, corrections, and revisions as may be necessary or desirable as determined in accordance with the terms of this proposed resolution;
- e. Approve the form of the Amendment to Construction and Permanent Deed of Trust with Assignment of Rents and Fixture Filing submitted to the Board of Supervisors, with such additions, corrections, and revisions as may be necessary or desirable as determined in accordance with the terms of this proposed resolution;
- f. Approve the form of the Amended and Restated Bond submitted to the Board of Supervisors, with such additions, corrections, and revisions as may be necessary or desirable as determined in accordance with the terms of this proposed resolution;

 $^{^2}$ According to Mr. LaTorre, an agreement between the City and the Developer imposing certain requirements on the Developer.

Memo to Finance Committee January 15, 1997 Finance Committee Meeting

g. Approve, confirm, and ratify all actions heretofore taken with respect to the Bonds by officials, employees, or agents of the City;

h. Further authorize any City official authorized by this proposed resolution, including the Mayor or the Mayor's designated representative, to execute any document in consultation with the City Attorney, and to approve and make such changes, additions, amendments or modifications to the document or documents as may be necessary or desirable, provided that such changes do not authorize an aggregate principal amount of Bonds in excess of \$18,000,000;

i. Authorize the Clerk of the Board of Supervisors, the City Treasurer, the City Administrator, the Controller, the Mayor's Office of Housing, and the City Attorney to take any and all steps and to execute and deliver any and all certificates, requisitions, agreements, notices, consents, and other documents which such officials might deem necessary or appropriate in order to effect the provisions of the proposed resolution.

Comment:

As previously noted, Attachment I to this report is a memorandum from Mr. LaTorre providing background information on the Geary Courtyard Project and other pertinent information on the proposed Bond reissuance. Attachment II is a memorandum from Mr. LaTorre responding to inquiries made by the Budget Analyst concerning this proposed legislation.

Summary:

- 1. According to the Mayor's Office of Housing, the purpose of this proposed legislation, which would authorize the reissuance of up to \$18,000,000 in City and County Multifamily Housing Revenue Bonds, is to improve the financial stability of the Geary Courtyard Project, a 164 unit apartment building at 623 Geary Street.
- 2. The City issues tax-exempt housing revenue bonds, as an accommodation to private developers, in order to facilitate the financing of housing projects that include such socially desirable policies as reserving a percentage of the rental units for low-income households. With respect to the subject Project, Mr. LaTorre reports that under the terms of the City's regulatory agreement, 20 percent of the units, or approximately 33 of the 164 apartment units in the 623 Geary Street Courtyard Project, are required to be rented to low-income households at specified rents affordable to that income level.

BOARD OF SUPERVISORS BUDGET ANALYST

- 3. As reported by Mr. LaTorre, the City is not a party to the development of the Project. The City is acting as a conduit for purposes of the developer obtaining tax-exempt financing. With respect to the City's exposure to financial risk in the proposed bond reissuance, Ms. Catherine Payer of the City Attorney's Office advises that the City is only obligated to make payments to the Bondholder to the extent that the Developer makes such payments to the City. According to Ms. Payer, the City would not incur any liability as a result the proposed legislation and the related project, unless the City or the Trustee failed to comply with standard securities and tax requirements, or the Bond Indenture.
- 4. As reported by Mr. LaTorre, the benefits to the Developer in having the City issue tax-exempt bonds to finance the Project are obtaining (1) a lower interest rate on the Bonds than could normally be obtained through conventional financing (typically a reduction of 1.5 to 2 percent), (2) financing which covers both the construction period and permanent period³, instead of just one or the other and (3) financing during the long-term permanent period (20 to 40 years depending on the bond term) instead of the conventional market term of the ten years or less for this type of project. For this project, Mr. LaTorre estimates that the interest rate at the time of issuance will be 7 percent instead of approximately 9 percent.
- Mr. LaTorre further advises that the City benefits from the proposed reissuance of the Bonds because the Internal Revenue Code requires that at least 20 percent of the units be restricted to low-income rents and a low-income occupancy for the life of the bonds, or for at least ten years if the bonds are called by the Trustee.
- 5. Under the terms of the proposed Lender Loan Agreement, the City would forgive and forever discharge all unpaid and owed interest to the City. However, this is a technicality because the City acts only as a conduit for receiving the bond payments and therefore the City is not owed any interest, other than the amounts to be received by the City and then payable to the bondholder.
- 6. The current Project is generating insufficient cash flow to cover debt and other expenses because, according to Mr. LaTorre, operating expenses have risen faster than rents.

³According to Mr. LaTorre, the permanent period is the period in the Project's life following construction.

Memo to Finance Committee January 15, 1997 Finance Committee Meeting

Mr. LaTorre further advises that the cash flow projections made by the Developer for the City at the time of the project approval in 1988 projected sufficient rents in excess of expenses. According to Mr. LaTorre, the City relied on the Prior Bondholder's assertion in 1988 that it (the Prior Bondholder) had received from the Developer complete information as to the cash flow and risks entailed in the project.

- 7. According to Mr. LaTorre, there are two other outstanding multifamily housing revenue bond issue projects which are experiencing difficulties, namely, the City's 1985, \$2,600,000 Multifamily Housing Revenue Bonds for Aspen South Hills, located in Hunters Point, and the City's 1988A, \$21,500,000 Multifamily Housing Revenue Bonds for Sutter/Post Apartments located at 840 Post Street. According to Mr. LaTorre, if requested by the project owners, the MOH will be submitting legislation pertaining to those two projects which will be similar to this subject legislation.
- 8. According to Mr. LaTorre, the proceeds from this proposed bond reissuance would be used to redeem the full amount of the outstanding 1988 by payment of \$17,000,000, and to pay the Construction Period Deferred Base Interest in the amount of \$693,865 owed the Prior Bondholder by the Developer.
- 9. In a memorandum to the Mayor's Budget Office and to the Controller, dated January 9, 1997 (Attachment III), Mr. LaTorre has presented additional information on the cash flow projections for the proposed bond reissuance. The "Post-Refunding" projection on page 6 of Attachment III shows cash flows for the Project becoming positive in the year 2001. Regarding the projections on which the cash flows are based, Mr. LaTorre has stated the following:

"From these observations, I conclude that the projections on which this refunding is based are basically realistic."

10. Beginning at the bottom of page 3 of the Attachment III, Mr. LaTorre has provided additional information on the credit enhancement aspects of the proposed bond reissuance.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

November 22, 1996

TO:

Stan Jones, Budget Analyst

FROM:

loe LaTorre

SUBJECT:

Geary Courtyard Revenue Bonds Resolution

File No. 170-96-009

I am providing the following information to assist you in your analysis of the proposed resolution referenced above.

The Project

The project is an existing 164-unit apartment building located at 623 Geary Street. It was financed by the issuance of housing revenue bonds in 1988 in the amount of \$18,000,000 (which are being re-funded in the current transaction), and completed in 1990. Under the terms of the City's regulatory agreement, 20% of the units are required to be rented to low-income households at specified rents affordable to that income level.

The Proposed Restructuring

The current holder of these bonds is a real estate investment trust, which was also a financial partner in the original development entity. Since about 1991, the project has not been covering debt service, and control of the partnership passed to the bondholder at that time. The development owner and bondholder are currently proposing to forgive the accrued interest on the loan and the bonds, and to transfer the bonds into a trust composed of about twenty similar projects. The trust would be credit enhanced, and the trust certificates sold to investors. For the City, the stability of the financing is improved through the credit enhancement. Although the City's bonds are not directly credit enhanced, the enhancement of the trust means that the investors will have no reason to seek redemption of the bonds and a recourse for nonpayment.

Why Action by the Board of Supervisors is Required

In the past, transfer of bonds and provision of credit enhancement did not normally require an action of the Board of Supervisors, since the original resolution and bond documents contemplated such actions. However, we are advised by the developer and bond counsel that new IRS regulations, as of September 23, 1996, direct that addition of credit

25 VAN NESS AVENUE, SUITE 700 * SAN FRANCISCO, CA 94102 * (415) 252-3177 * FAX (415) 252-3140

P. 2

Memo re Geary Courtyard November 22, 1996 Page 2

enhancement be treated as a technical reissuance of the original bonds. Since reissuance requires the consent of the City as Issuer.

Interest Rate on the Bonds

The bonds are variable rate bonds, roset on a weekly basis. In recent weeks, the rate has been approximately 4.5%. This will remain unchanged in the reissuance.

Cost of Redemption and Cost of Reissuance

The developer is also paying all costs of both the redemption and the reissuance transaction, including bond counsel and financial advisor fees, the City Attorney fees, and an Issuer's Fee to MOH for our administrative costs. The issuer fee will be deposited into the Housing Program Fees Fund as established by Section 10.117-100 of the Administrative Gode, and will be expended as provided in the Code.

Elscal Cost to the City

The issuance of tax-exempt housing revenue bonds is done by the City as an accomodation to private developers. No City funds of any kind are advanced in the transaction, and the City's falth and credit is explicitly not pledged for payment of the bonds or for any other purpose. The bondholders are made aware that their guarantee of repayment is solely the revenues of the project. Therefore, the City has not incurred and will not incur any fiscal cost as a consequence of either the original bond issuance or the reissuance.

Specific Advantages to the City

As a part of the proposed transfer of the bonds to the new bondholder, credit enhancement is being provided to secure payments of interest and principal to the bondholder. From the City's point of view, the stability of the financing and of the overall project is improved through the credit enhancement. Also as a part of the restructuring, the owners have agreed to extend the affordability requirements on the 20% affordable units from their current "later of" 10 years after completion (1998) or the maturity of the bonds (2008) to the later of 2011 or the new maturity date of the bonds (2018). Thus, if the bonds are paid off early, the City has gained 13 years of affordability; if the bonds reach maturity the City gains 10 years.

Consequences if the Resolution is not Approved

In addition to losing the enhanced affordability, the principal consequence is the risk of project default. At the project's current income level, the project is showing a negative

Memo re Geary Courtyard November 22, 1996 Page 3

cash flow. This creates an incentive for the developer to undermaintain the property, to default on the bond loan, and to seek release of the affordability restrictions at the earliest possible date. The reissuance and provision of credit enhancement will guarantee payments on the bonds, and the credit enhancer will enforce maintenance and other requirements. Therefore, the project will be stabilized and the risk of default will be reduced.

Please let me know if you have any further questions. I can be reached at 252-3188.

FAX TRANSMISSION MEMORANDUM

MAYOR'S OFFICE OF HOUSING

NUMBER OF PAGES (INCLUDING COVER SHEET): 5
IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL (415) 252-3188

November 25, 1996

TO:

Stan Jones

FROM:

Joe LaTorre

SUBJECT:

Geary Courtyard Bonds

File No. 170-76-9

Responses to your Questions as of 11/25/96

Q. 1 (forgiveness)

Unpaid interest is owed to the City under the Loan Agreement; however, all payments received under the Loan Agreement are in turn pledged to be paid to the bondholders (i.e. the City is simply a conduit). Because the bondholder is willing to forgive the interest, the City is in turn being asked to forgive the interest owed to it under the Loan Agreement. The City receives no consideration since it is not owed any amounts other than the pledged revenues.

Q. 2 (City's financial interest)

The City is not a party to the project (i.e. the development itself), but only as a conduit for tax exempt financing. As mentioned above, the City's pledge consists solely of the principal and interest payments received under the Loan Agreement from the developer. The City has no other financial interest other than receipt of its fee as administrator of the bond issue. The City's faith and credit is <u>not</u> pledged to payment on these bonds.

Q. 3 (cash flow projection)

MOH has been provided with representations made by the developer to the bondholder (United States Trust) regarding the current and post-transaction cash flows of the project. My fax copy of this information is marginally legible; I have attached a copy for your files which I hope is readable. However, we have not analyzed the accuracy of these representations and do not make any recommendation as to approval or disapproval of the transaction based on these representations.

Q. 4 (benefits of tax-exempt bond issuance)

Under the Internal Revenue Code, the City issues tax exempt bonds and lends the

Memo to Stan Jones November 25, 1996 Page 2

proceeds to the developer. The <u>developer</u> benefits from an (1) interest rate on the bonds and loan which is lower than conventional financing (typically by 1.5-2%), (2) financing which covers both construction and permanent periods, and (3) financing which is long-term (twenty to forty years depending on the bond term). The <u>bondholder</u> benefits by holding tax-exempt bonds. The <u>City</u> benefits because the tax code requires that at least twenty percent of the units be restricted to low-income rents and occupancy for the life of the bonds, or for at least ten years.

O. 5 (insufficient cash flow)

The project is generating insufficient cash flow because, for the last six years since the project was completed, operating expenses have risen faster than rents. The cash flows presented to the City at the time of project approval in 1988 projected rents rising faster than expenses, so that, within a short time after completion, the project would experience increasing net income. As with other tax-exempt housing bonds, the City did not conduct extensive analysis and underwriting of the developer's proforma. In the case of bonds which are credit enhanced (usually by a letter of credit) and credit rated, this is the responsibility of the letter of credit provider, who bears the risk. The Geary Courtyard bonds were privately placed with CRITEF, which did this analysis because they bore the risk in this case.

Q. 6 (proposed principal reduction)

It is the City's understanding that the reduction of the principal amount is being carried out to bring the overall debt within a targeted carrying capacity of the project. Although cash flows are represented to still be negative, we have been told that the level is acceptable to the credit enhancement provider. The reduction will not have any effect on the City, since both bond principal and loan principal are being reduced in like amounts.

Q. 7 (other bond issues)

There are two other outstanding multifamily housing revenue bond issues which MOH is aware are experiencing difficulties. The City's 1985 \$2,600,000 Multifamily Housing Revenue Bonds (Aspen South Hills) is an FHA insured deal. The project has been experiencing negative cash flows. To date, the developer has been using non-project funds to cover the operating deficit and make debt service payments. Several months ago, MOH met with the developer to discuss possible restructuring of the issue, including reissuance of the bonds. The developer is currently studying its alternatives and will be recontacting the City before the end of the year.

Memo to Stan Jones November 25, 1996 Page 3

The other project experiencing difficulties is that funded by our 1988A \$21,500,000 Multifamily Housing Revenue Bonds (Sutter/Post Apartments). Due to cash flow difficulties and the expiration of the letter of credit in 1994, both the project and the bonds were sold to a new entity, which has since transferred title to both to Bay Apartment Communities. In the absence of a letter of credit, the City has required that the bonds be held by one entity which qualifies as a "sophisticated investor" and is fully aware of the risks and liabilities of the transaction. Bay Apartment Communities is required to secure a letter certifying any potential acquirer of the bonds to be such a "sophisticated investor."

Bay Apartment Communities has proposed to secure credit enhancement of the bonds from Fannie Mae. MOH is currently negotiating with Bay and Fannie Mae to effect this transaction. If terms are reached, the restructuring will constitute a reissuance and, as such, be subject to the approval of the Board of Supervisors. Should mutually acceptable terms not be reached, the project will continued to be owned by Bay Apartment Communities and the bonds by either Bay or a qualified "sophisticated investor."

Q. 8 (CRITEF entities)

It is our understanding that the transfer between CRITEF, Ltd. and CRITEF III Limited Partnership is being carried out in order to facilitate transfer of the bonds to another (unrelated) entity, United States Trust Company. We understand the partnership structure of the current bondholder is being dissolved.

O.9 (resale and reissuance)

In the present transaction, the reissued bonds will be sold to United States Trust Company. The proceeds of the sale will simultaneously be paid to the trustee, First Trust California, which will use the funds to redeem the outstanding 1988 bonds by payment to that bondholder (CRITEF).

Q. 10 (loan amount; bond counsel costs)

The maximum amount eligible for reissuance under the tax code is \$18,000,000, the amount of the outstanding bonds. The \$1 million reduction of the principal amount of the loan and bonds is addressed in question 6 above. The amount of \$693,865 being added to the loan amount represents accrued and unpaid construction period base interest, which is eligible for inclusion under the tax code. The planned actual amount of the bond issuance will be \$17,693,865. CRITEF is paying the bond counsel fee, financial advisor fee, City attorney expenses and other costs of issuance to the bond trustee directly at the close of the bond transaction.

Memo to Stan Jones November 25, 1996 Page 4

Q. 11 (legal default)

As noted in question 2, the City's obligation consists only of paying amounts collected under the Loan Agreement to the bondholder; consequently, the City cannot be in a payment default. Because the bonds and project are owned by the same entity, the bondholder has not chosen to declare a default for nonpayment of interest, since such a default would automatically accelerate the loan and cause it to become immediately due. To the best of our knowledge, the City has fulfilled all of its obligations under the Lender Loan Agreement and other documents to which the City is a party.

Q. 12 (change in interest rate)

The interest rate under the current bonds consists of a base rate of 9.085% and a contingent interest additional amount which depends on project performance. The proposed structure calls for a variable rate interest, and future interest may therefore be higher or lower than the current rate. As of the October 16, the new interest rate formula yielded an interest rate of 7%, representing a savings over the current rate.

O. 13 (ownership)

The land and building are owned by Geary Courtyard Associates, a limited partnership. The general partner of Geary Courtyard Associates is currently CAPREIT of Geary Courtyard, Inc. a CRITEF affiliate.

Q. 14 (amended and restated bond)

The Amended and Restated Bond is the text of the actual bond which the City will issue, for the entire amount of the issuance.

MEMORANDUM MAYOR'S OFFICE OF HOUSING

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To Stan Jones From Joe Lature
Co.
Co.
Phone # 252-3188

January 9, 1997

TO:

Steve Agostini, Mayor's Budget Office

Ed Harrington, Controller

FROM:

Joe LaTorre

SUBJECT:

Geary Courtyard Apartments Bonds Analysis of Information from Developer

A. Project Operating Information

I have obtained from the developer the audited financial statements for the project for 1993, 1994 and 1995 and compared them with the projections made at the time the development was originally approved (in 1988). The analysis which follows is based on that information.

1. Comparison of Actual Income and Expenses with Original Projections

The projected cash flows for the project were received in 1988 from Public Financial Management, Inc., the financial advisor on the original project. It is unclear from the cover memo whether the figures were independently verified by PFM, or whether they were simply passing along information supplied by the developer.

The audited financial statements for 1993, 1994 and 1995 give a breakdown of actual income and expenditure on the project. A summary of the statements is provided as Attachment A to this memo.

The 1995 operating information may be compared to the projections as follows:

Category		Projections for 1995	Actual 1995
Income:	Residential Rents	\$2,961,892	\$1,907,902
	Vacancies	\$88,857 (3%)	\$152,684 (8%)
	Other Income	\$458,828	\$119,798
Expenses:	Operating (incl. taxes, insur.)	\$689,239	\$979,035
	Financial	\$1,505,000	\$1,878,143
Cash Flow	before depreciation & amort.	\$1,137,624	(\$982,819)

Attachment III Page 2 of 8

Geary Courtyard Apartments Bonds January 9, 1997 Page 2

The variances in these numbers may be analyzed as follows:

Residential Rents: The original projections were based on a trending of rental income at an increase of 7% per year, presumably based in 1987 rent levels. In reality, rents have been flat since 1989, and only recently have begun to increase again. The original projections assumed that, by 1995, the average rent in the below market rate (BMR) units would be \$848 per month, and in the market rate units \$1,671 per month. In fact, the 1995 income reflects average BMR rents of \$630 per month and average market rate rents of \$1,055 per month.

<u>Vacancies:</u> The higher than projected vacancy rate is consistent with trends in the rental market, particularly in cases where rents have been set at a high level.

Other Income: Most of the other revenue was projected to come from parking, both for tenants and for valet parking for neighboring hotels. Although most of the actual income did come from this source, the amounts were much less than projected.

Operating Expenses: Expenses were trended at an increase of 4% per year. Although this is a reasonable projection, it is notably lower than the projected increase in rental income. The projected 1995 expenses of \$350 per unit per month seem reasonable; the actual expenditure of \$497 appear to reflect an aggressive marketing and advertising effort by the management and higher than usual security costs.

<u>Financial Expenses:</u> The difference between projected and actual expenses reflects interest on accrued and unpaid interest from earlier periods. It should be recalled, of course, that property is owned by a real estate investment trust. Therefore, the financial expenses have actually been paid only to the extent that cash has been available; the trust shows the accrued and unpaid interest as an accounting loss only.

In summary, it can be seen that the original projections were significantly different from the actual operating experience of the property. Both the City and the letter of credit provider relied on these projections, which may have seemed reasonable in light of the real estate conditions in the late 1980s, but which certainly would not be considered realistic today.

2. Trends in Project Income and Expense for 1993 to 1995

Attachment A provides information from the audited financial statements for the past three years. Several observations may be made: first, the trends in income and expense have been positive over this time period. Income has increased by \$180,000, while operating

Geary Courtyard Apartments Bonds January 9, 1997 Page 3

expenses have increased by only \$39,000. Part of this improvement is attributable to a reduction in vacancy losses from 11% to 8% of rental income. As shown in Attachment B, vacancy loss in 1996 has continued to decline, projected as \$63,037 for 1996 compared with \$152,684 in 1995.

3. Reasonableness of Financial Projections for Future

Attachment B has been provided by the developer to compare the current financial condition of the property with the post-refunding projections. I would note the following:

- a. The projections for 1997 through 2001are based on the current income and expenses of the property. This is fundamentally different from the situation when the bonds were originally issued in 1988, when the income and expenses of the property could only be conjectured.
- b. The projections for annual increases is less optimistic than in the original scenario: both income and expenses are trended at 5%, rather than the original projection of 7% increases for income and 4% increases for expenses. While some analysts would prefer lower percentages than 5% for the current projection, the fundamental test of current underwriting is that expenses be projected to increase at least as much as income; this analysis meets that test.
- c. Financial expenses are projected to be constant, based on a post-refunding aggregated fee and interest cost of 7%. While this figure is currently realistic, it is uncertain whether it would be reasonable to assume this in the long run. The developer has purchased an interest rate cap which would guarantee that the rate would not exceed 9.23%. This rate would increase annual financial expenses by about \$400,000. Since the net operating income of the development is projected to increase by approximately \$60,000 per year, an increase in the interest rate to the maximum would mean that the project would not reach break-even until approximately the year 2008, rather than the year 2001 as projected in Attachment B.

From these observations, I conclude that the projections on which this refunding is based are basically realistic. The projections are somewhat more optimistic than would be acceptable on a new development. However, the operating history of this development provides a good foundation for anticipating future income and expenses; with fewer risk factors involved, more latitude can be given in the remaining ones.

B. Additional Information on Credit Enhancement

I have also obtained additional information from the developer on the structuring of the

P. 4
Attachment III
Page 4 of 8

Geary Courtyard Apartments Bonds January 9, 1997 Page 4

pool into which the Geary Courtyard project has been placed. In addition to the 18 bond-financed projects, the pool contains an additioanl seven properties which are debt-free and have a substantial positive cash flow. The underwriting of the pool is based on the cash flow generated by the entire group of 25 properties. Attachments C and D show the financials for the pool as a whole. Attachment C shows the situation with an interest rate based on a PSA (Public Securities Association) index rate of 3.5%; the current PSA rate is 3.43%. Attachment D shows the financials for a rate of 5.75%, which is the rate at which the interest rate cap purchased for the pool becomes effective. At the latter high rate, the pool shows a debt service coverage ratio of 1.14; at the current rate, a coverage of 1.5. The fact that, in the worst case, cash flow remains positive meets a basic requirement of the letter of credit provider; without these coverage ratios, no credit enhancement would be available.

cc: Stan Jones, Budget Analyst

Attachment III Page 5 of 8

ATTACHMENT A

Geary Courtyard Apartments Actual Income and Expenses, 1993-95

Income	1993	1994	1995
Residential Rents Less: Vacancies Other Income	\$1,773,834 (\$200,795) \$120,474	\$1,833,624 (\$160,010) \$122,146	\$1,907,902 (\$152,684) \$119,798
Total Income:	\$1,693,513	\$1,795,760	\$1,875,016
Expenses Administration Utilities Operating & Maintenance Taxes & Insurance	\$396,577 \$86,276 \$185,264 \$272,295	\$424,433 \$72,266 \$203,248 \$277,867	\$378,846 \$75,272 \$230,137 \$294,780
Operating Expenses:	\$940,412	\$977,814	\$979,035
Financial Expense	\$1,901,145	\$1,885,125	\$1,878,143
Total Expenses:	\$2,841,557	\$2,862,939	\$2,857,178
Excess of Expenses over Revenues: (before depreciation and amortization)	\$1,148,044)	\$1,067,179	\$982,162

GEARY COURTYARD APARTMENTS SAN FRANCISCO, CALIFORNIA

ATTACHMENT B

1993 1999 2000 20		POS	POST-REFUNDING		
1998 1999 2000 20 722 \$2,292,982 \$2,407,631 \$2,528,013 \$2,68 869 \$118,512 \$143,439 \$150,660 \$15 922 \$199,242 \$104,439 \$150,660 \$1 915 \$2,274,212 \$1,381,922 \$1 \$1 916 \$2,274,212 \$1,381,922 \$1 \$2 \$1 917 \$707,890 \$743,274 \$760,436 \$8 \$8 \$2<	1997 PRELIMINARY		PROJECTE	[1]	
\$2,292,982 \$2,407,631 \$2,528,013 \$2,638,013 \$39,242 \$110,3429 \$109,965 \$11 \$39,242 \$109,965 \$11 \$39,242 \$109,965 \$11 \$39,242 \$109,965 \$11 \$30,242 \$109,965 \$11 \$30,242 \$109,965 \$11 \$30,242 \$109,965 \$11 \$30,242 \$109,965 \$11 \$30,242 \$11,75,463 \$11,75,463 \$11,185,067 \$11,265,242,2427 \$11,265,24	BUDGET	1998	1999	2000	2001
(\$118,512)	\$2,183,792	\$2,292,982	\$2,407,631	\$2,528,013	\$2,654,414
\$2,224,212 2,382,922 2,502,318 2.6 \$100,223 \$100	(112,869)	(\$118,512) \$99,742	(\$124,438)	(\$130,660) \$109,965	(\$137,193) \$115,463
\$707,880 \$743,274 \$780,438 \$8 \$224,280 \$525,434 \$247,269 \$1 \$75,600 \$793,80 \$83,349 \$3,349 \$90,389 \$285,517 \$1100,223 \$1 \$1,098,729 \$1,153,665 \$1,211,349 \$1,3 \$1,175,483 \$1,234,257 \$1,295,969 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,283 \$1,185,057 \$1,266,769 \$1,3 \$1,126,283 \$1,185,057 \$1,266,769 \$1,3 \$1,126,283 \$1,185,057 \$1,266,769 \$1,3	\$2,165,915	\$2,274,212	2,387,922	2,502,318	2,632,684
\$707.890 \$773.274 \$780,436 \$88 \$8274.269 \$7224,220 \$7215,494 \$2477.269 \$722 \$79,300 \$795,300 \$893,349 \$575,600 \$795,300 \$893,349 \$575,600 \$795,300 \$795,300 \$100.222 \$1.00.222 \$					
\$224,280 \$5.25,494 \$2.47,269 \$2 \$75,600 \$793,300 \$100,222 \$1 \$1,098,729 \$1.55,660 \$1.50,265 \$1.211.349 \$1.2 \$1,175,483 \$1,234,257 \$1,295,969 \$1,3 \$1,175,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3	\$674,171	\$707,880	\$743,274	\$780,438	\$819,460
\$75,600 \$79,380 \$83,349 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	213,600	\$224,280	\$235,494	\$247,269	\$259,632
\$90.269 \$95.517 \$100.293 \$1 \$1,098.729 \$1,153,665 \$1,211.349 \$1,2 \$1,175,483 \$1,234,257 \$1,295,969 \$1,3 \$1,126,283 \$1,185,057 \$1,246,769 \$1,3 \$1,126,2421 \$1,185,057 \$1,26,769 \$1,3 \$1,126,2421 \$1,1262,422] \$1,26,7421 \$1,26,7421	72,000	\$75,600	\$79,380	\$83,349	\$87,516
\$1,098.729 \$1.153,665 \$1.211.349 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2 \$1.2	86,63Z	\$90.969	\$95,517	\$100,293	\$105,308
31,175,483 \$1,234,257 \$1,295,969 \$1,3 49,260 [3] 49,200 [3] 49,200 [3]	\$1,046,408	\$1,098,729	\$1,153,665	\$1.211.349	\$1,271,916
(\$1,126,283 \$1,185,057 \$1,246,769 \$1,3 (\$1,252,427) (\$1,262,427) (\$1,252,427) (\$1,2 (\$1,251,44) (\$1,252,427) (\$1,252,427) (\$1,2	\$1,119,507	\$1,175,483	\$1,234,257	\$1,295,969	\$1,360,768
\$1,126,283 \$1,185,057 \$1,246,769 (\$1,252,427) (\$1,262,427) (\$1,262,427) (\$1,25,16,144) (\$1,25,10) (\$1,25,658)	49,200 [3]	49.200 [3]	49,200 [3]	49.200 [3]	49,200 [3]
(\$1.262.427) (\$1.262.427) (\$1.262.427) (\$135.144) (\$77.370) (\$15.658)	\$1,070,307	\$1,126,283	\$1,185,057	\$1,246,769	\$1,311,568
(\$135,144) (\$77,370) (\$15,658)	(\$1.262.427)	(\$1.262.427)	(\$1.262,427)	(\$1.262.427)	(\$1,262,427)
	[\$192,120]	(\$135.144)	(\$77,370)	(\$15,658)	\$49.141

	PRE-RE	PRE-REFUNDING
	ACTUAL THROUGH	THROUGH 10/31/96
	10/31/96	ANNUALIZED
INCOME: Gross Rent Potential Vacancy Loss / Concessions Other hoome	\$1,687,566 (52,531) 97,132	\$2,025,079 (63,037) 116,564
Total Income	\$1,732,172	\$2,078,606
EXPENSES: Operating & Maintenance	\$521.506	\$625.807
Real Estate Taxes	178,000	213,600
Insurance	60,000	72,000
wanagement ree	gce:77	and an
Total Expenses	\$831.844	\$998,213
NET OPERATING INCOME	\$900,328	\$1,080,393
Replacement Reserve	23,920	28,704 [2]
Net Cash Flow Before Financial Expenses	\$876,408	\$1,051,689
Total Financial Expenses	(\$2,067,370)	(\$2,480,844)
Not Cash Flow	(\$1,190,962)	(\$1.429.155)

NOTES:
(1) Based on annual trending of income and expenses commencing January 1,1998 of
(2) Based on current replacement reserve requirement per Lender Loan Agreement dated August 1, 1988.
(3) Based on replacement reserve of \$300 per unit as required by lender.

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P. 7

Attachment III Page 7 of 8

CAPITAL REALTY INVESTORS TAX EXEMPT FUND LTD.
CALCULATION OF DEBT SERVICE COVERAGE RATIO
BASED ON TEN MONTHS ENDING OCTOBER 31, 1996

ATTACHMENT C

CONSOLIDATED PORTFOLIO BASED ON PSA OF

3.50%

Net Operating Income (Ten months actual annualized)
Less: CMC Replacement Reserve

\$25,447,168 (1.383,150)

NET CASH FLOW BEFORE FINANCIAL EXPENSES

\$24,064,018

FINANCIAL EXPENSES:

\$228,000,000	3.500%	\$7,980,000
\$228,000,000	2.757%	6,285,960
\$234,173,630	0.400%	936,695
st \$188,000,000	0.120%	225,600
xt \$46,173,630	0.100%	46,174
		229,140
		20,000
		192,490
		61,917
		60,000
	\$228,000,000 \$234,173,630 st \$188,000,000	\$228,000,000 2.757% \$234,173,630 0.400% st \$188,000,000 0.120%

Loan Amount

Interest Rate

TOTAL FINANCIAL EXPENSES

\$16,037,976

DEBT SERVICE COVERAGE RATIO

1,50

P. 8

Attachment II. Page 8 of 8

CAPITAL REALTY INVESTORS TAX EXEMPT FUND LTD. CALCULATION OF DEBT SERVICE COVERAGE RATIO BASED ON TEN MONTHS ENDING OCTOBER 31, 1996

ATTACHMENT D

CONSOLIDATED PORTFOLIO BASED ON INTEREST STRIKE PRICE OF

5.75%

Net Operating Income (Ten months actual annualized) Less: CMC Replacement Reserve

\$25,447,168 (1.383.150)

NET CASH FLOW BEFORE FINANCIAL EXPENSES

\$24,064,018

FINANCIAL EXPENSES:

		Loan Amount	Interest Rate	
Interest Expense		\$228,000,000	5.750%	\$13,110,000
CMC / ZIB Fees		\$228,000,000	2.757%	6,285,960
Swiss Bank Letter of Credit Fee		\$234,173,630	0.400%	936,695
Swiss Bank Letter of Credit Fronting Fee:	First	\$188,000,000	0.120%	225,600
	Next	\$46,173,630	0.100%	46,174
Remarketing Fee (Bear Steams)				229,140
Custodian (US Trust)				20,000
Issuer Fees				192,490
Bond Trustee Fees				61,917
Other Costs				60.000

TOTAL FINANCIAL EXPENSES

\$21.167.976

DEBT SERVICE COVERAGE RATIO

1.14

Item 2 - File 170-96-11

Item:

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: acquisition, construction and/or reconstruction of community cultural facilities including the Mission Cultural Center, the Bayview Opera House, the Center for African and African-American Art and Culture, the South of Market Cultural Center, the Art Commission Gallery, the Center for Lesbian and Gay Arts and Culture, the Native American Cultural Center and all other works, property and structures necessary or convenient for the foregoing purposes, and determining that the estimated cost of \$45,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a General Obligation bonded indebtedness.

Amount:

\$45,000,000

Description:

The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the City Attorney will prepare an ordinance to submit the proposed bond issue to the voters.

In order for the proposed General Obligation Bond measure to qualify for the June 3, 1997 ballot, the schedule provided by the Clerk of the Board states that the subject proposed resolution (File 170-96-11) must be approved by the Budget Committee no later than January 15, 1997.

The proposed Community Cultural Facilities Bond Program would upgrade the health and safety and involve various other improvements to the Mission Cultural Center, the Bayview Opera House, the Center for African and African-American Art and Culture, the South of Market Cultural Center, and the Art Commission Gallery. In general, improvements to these five projects would include (1) seismic strengthening; (2) disabled access; (3) asbestos management; and (4) building renovations and improvements at a total estimated total cost of \$37 million. In addition, two facilities at a total estimated cost of \$8 million would be acquired: one

for a new Center for Lesbian and Gay Arts and Culture and one for a new Native American Cultural Center, at an estimated cost of \$4 million each.

Mr. Neal Taniguchi of the City Administrator's Office states that, as of the writing of this report, the Capital Improvements Advisory Committee (CIAC) had not reviewed the Community Cultural Facilities Bond Report regarding placement of the proposed bond issue on the ballot. Mr. Taniguchi states that the CIAC will meet to review the requested capital improvement projects and will decide whether to recommend the proposed bond issuance on the morning of January 15, 1997, prior to this meeting of the Budget Committee. Mr. Taniguchi states that the Chair of the CIAC, Mr. Steve Agostini of the Mayor's Office, will report directly to the Budget Committee regarding the results of the CIAC meeting.

Community Cultural Facilities Projects Proposed for Bond Funding

Health, Safety, and Facility Improvement Projects

The estimated project costs for the five Community Cultural Facilities projects that require health, safety, and other improvements are as follows:

· Bayview Opera House

Seismic, Hazardous Materials, and
Disabled Access \$999,780
Renovations and Improvements 1,841,727
Relocation 18,240

Project Total

\$2,859,747

Center for African and African American Art & Culture

Seismic, Hazardous Materials, and
Disabled Access \$2,074,800
Renovations and Improvements
Relocation 7,982,639
220,020

Project Total \$10,277,459

Mission Cultural Center for Latino Art

Seismic, Hazardous Materials, and
Disabled Access \$4,792,560
Renovations and Improvements 8,797,377
Relocation 159,600

Project Total

\$13,749,537

South of Market Cultural Center

Seismic, Hazardous Materials, and
Disabled Access \$2,229,840
Renovations and Improvements
Relocation 6,244,385
181,260

Project Total \$8,655,485

Art Commission Gallery

Seismic, Hazardous Materials, and
Disabled Access \$1,047,660
Renovations and Improvements 405,552
Relocation 4,560

Project Total \$1,457,772

Subtotal

\$37,000,000

Facilities

The proposed Bond Program would include the purchase of two existing properties which would be renovated to establish two new cultural facilities, as follows:

Center for Lesbian and Gay Arts and Culture

According to the Bond Program Report, prepared by Mr. Steve Nelson, the Acting Director of Administrative Services, the Center is planned as the nation's first cultural organization exclusively devoted to the promotion, development, presentation, and exhibition of performing and visual art that explores lesbian and gay identity issues.

The Bond Program Report also states that as currently envisioned, the Center would have a theater of approximately 200 to 300 seats that would be equipped for professional quality dance, music, and theatrical presentations, as well as an exhibition space capable of accommodating museum-quality exhibitions. In addition there would be one or two smaller exhibition spaces, dance studios, a screening room, meeting rooms and a variety of administrative office spaces.

Project Total

\$4,000,000

Native American Cultural Center

According to the Bond Program Report, the Native American Cultural Center is planned as a "one stop" cultural and community center to serve the needs of Native Americans and those interested in Native American cultures and art. The Center would serve to celebrate, strengthen, continue, preserve, and present ancient Native American traditions, art, and cultural heritage.

The Bond Program Report also states that key components of the Center would include a "living Culture" interactive museum, a gallery, a retail store and trading post, a theater/presentation space, office space for organizations (including a health clinic), a restaurant/coffee house, an educational space (classrooms, computer/media cluster, archive and library), workshop space for Native American artists, an Elders' hospitality house, community meeting/conference space, Powwow grounds and parking lot.

The Bond Program Report states that key programs at the Center would include the following: arts programs open to all in the community, Powwows, Potlatches, lectures and readings, films, theater, music and dance programs, health programs and activities, career/job training and leadership training programs, Native American heritage educational programs for Native American people and to educate the general public, classes for all ages, legal services, guest artists from across the country, and social services.

Project Total \$4,000,000

Subtotal \$8,000,000

Total Estimated Costs of the Community Cultural Facilities \$45,000,000

Comments:

- 1. The Bond Program Report contains the detailed descriptions and benefits of each proposed project and is on file with the Clerk of the Board of Supervisors.
- 2. Mr. John Madden of the Controller's Office states that the sale of the proposed General Obligation bonds in the amount of \$45,000,000 would result in an increase in the property tax rate for 1997-98 of approximately \$0.00727 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay \$21.30 in additional property taxes beginning in 1997-98 due to the issuance of these bonds.

3. According to Mr. Taniguchi, the City has a self-imposed prudent debt limit of 2.8 percent of net assessed property value. The CIAC estimates that, under this debt limit and based on projections of net assessed property value and payments on existing debt, the City could issue up to approximately \$750 million in additional debt over the next ten years. Mr. Taniguchi further advises that this assumes that the City will issue a total of \$903.3 million in General Obligation bonds, previously approved by the voters, over the next ten years. In other words, Mr. Taniguchi estimates that the City could issue up to a total of \$1,653.3 million (\$750 million plus \$903.3 million) in debt over the next ten years under the self-imposed prudent debt limit. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

If all three of the bond issues proposed for the June, 1997 ballot -- (1) this subject \$45,000,000 Community Cultural Facilities measure; (2) a \$130,000,000 San Francisco Unified School District and San Francisco Community College Educational Building Improvements Bond program (Item 3, File 170-96-12); and (3) a \$48,000,000 Zoo facilities program (Item 4, File 170-96-13) -- are approved, the City would need to issue \$223,000,000 in General Obligation Bonds over and above the current commitments. This represents approximately 30 percent of the \$750 million in additional debt (above the \$903.3 million in bonds that have previously been approved), that the City can issue over the next ten years under the prudent debt limit, according to CIAC projections.

4. As stated above, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued. Mr. Taniguchi advises that, as of the writing of this report, the City projects only approximately \$10 million of available debt capacity in Fiscal Year 1997-98. This temporary limit on the City's debt capacity could effect the pace at which the proposed bonds could be issued, if they are approved.

However, Mr. Taniguchi advises that of the total \$223 million for the three bond measure being proposed, only approximately \$135 million would be needed in the first year. Mr. Taniguchi further advises that the issuance of \$157,000,000 in bonds previously approved for the Moscone

Center expansion is likely to be delayed pending the resolution of legal questions related to Proposition 218, a ballot measure approved by the voters in November of 1996, which states that "special taxes" require a two-thirds vote of the electorate. Proposition 218 may necessitate bringing the Moscone Center expansion bond measure before the voters a second time, due to a related two percent increase in the City's Hotel Tax rate.

Furthermore, Mr. Taniguchi advises that the City does not expect to need the full \$350,000,000 that was approved for the Seismic Safety Loan Program. Under these circumstances, the City could issue the full \$223,000,000 in General Obligation Bonds proposed for the June, 1997 ballot without exceeding the prudent debt limit.

- 5. Another issue that the Board of Supervisors and the electorate should consider is the fact there are other major capital improvement projects pending in the City that are expected to request General Obligation Bond funds. For example, the City's Youth Guidance Center, the San Bruno Jail, the DeYoung Museum and the Hall of Justice are four major capital improvement projects that are currently in various stages of development that will be requiring voter approval of General Obligation bond measures within the next several years. Since these projects have not yet been finalized or submitted to the Board of Supervisors for review, the total amount of bond funds that would be necessary is not currently available. However, approval of the three bond measures proposed for the June, 1997 ballot could have a major impact on the City's ability to finance these other major capital improvement projects under the prudent debt limit.
- 6. The expenditure of any of the proposed General Obligation Bond funds would require a supplemental appropriation ordinance to be approved by the Board of Supervisors if the electorate approves the proposed General Obligation Bonds.

Recommendation:

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

Item 3 - File 170-96-12

Item:

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: acquisition, construction and/or reconstruction of educational facilities to be used by the San Francisco Unified School District and the Community College District of San Francisco and all works, property and structures necessary or convenient for the foregoing purposes, and determining that the estimated cost of \$130,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a General Obligation bonded indebtedness.

Amount:

\$130,000,000

Description:

The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the City Attorney will prepare an ordinance to submit the proposed bond issue to the voters.

In order for the proposed General Obligation Bond measure, for the Educational Building Improvements Bond Program for the San Francisco Unified School District and the San Francisco Community College District to qualify for the June 3, 1997 ballot, the schedule provided by the Clerk of the Board states that the subject proposed resolution (File 170-96-12) must be approved by the Budget Committee no later than January 15, 1997.

Mr. Neal Taniguchi of the Administrative Services Department states that, as of the writing of this report, the Capital Improvements Advisory Committee (CIAC) had not made a final recommendation regarding placement of the proposed bond issue on the ballot. Mr. Taniguchi advises that the CIAC requested the San Francisco Unified School District (SFUSD) and the Community College District of San Francisco to provide the CIAC with strategic plans covering their respective capital improvement needs, in order to enable the CIAC to place the projects that would be funded with this proposed bond issuance in the context of an overall

capital improvement strategy for the SFUSD and the Community College District. Mr. Taniguchi states that the CIAC will meet to review the requested strategic plans and will make its recommendation on the proposed bond issuance on the morning of January 15, 1997, prior to this meeting of the Budget Committee. Mr. Taniguchi states that the Chair of the CIAC, Mr. Steve Agostini of the Mayor's Office, will report directly to the Budget Committee regarding the results of the CIAC meeting.

The proposed bond measure would fund \$80 million in seven projects for the SFUSD, and \$50 million in six projects for the Community College District. In general, SFUSD and Community College District administrators advise that these projects involve (1) health and safety renovations; (2) construction of new buildings to replace seismically substandard buildings or deteriorated temporary portables, and/or to provide additional classroom space; (3) reconstruction and modernization of science laboratories; and (4) installation of a computer network system and replacement of inadequate electrical systems to support increased usage of computers in the schools. The specific projects are described in the Attachment to this report, which also shows estimated project budgets.

SFUSD Projects Proposed for Bond Funding

The seven SFUSD projects that would receive funding from the proposed bond measure are:

Lowell High School new science/academic wing, to replace 16 existing 40-year old portable classrooms that are in a state of general deterioration and provide eight additional classrooms.

\$7,000,000

Parkside Elementary School and Children's Center Construction, to demolish an existing administrative facility located at 2550 25th Avenue, replacing it with a new neighborhood elementary school in the Sunset neighborhood. The site would include a new Children's Center. Children's Centers provide childcare for preschoolage children.

\$11,000,000

Sheridan Elementary School new auditorium/ academic wing, to replace

12 existing, 20-year old temporary portable classrooms and provide one additional kindergarten classroom, as well as to provide a new auditorium for the school, which is located in the Oceanview-Merced-Ingleside district.

\$5,000,000

Claire Lilienthal Elementary School (K-3) new academic wing, to replace 6 existing, 23-year old temporary portable classrooms, as well as to provide a library, parent/community resource room, staff areas, and specialty rooms for science, art and computer instruction. The school is located in the Laurel Heights district.

\$4,000,000

Argonne Children's Center/Yoey Children's Center construction, and improvements to existing Children's Centers, to replace the existing Argonne Children's Center (Richmond District) and Yoey Children's Center (Civic Center) with new, larger buildings, to upgrade 10 existing Children's Centers through the SFUSD, including developing new centers at high schools where space is available.

\$6,000,000

High school/ middle school science laboratory modernization, to reconstruct existing science laboratories at 12 high school and 10 middle school sites (see attached description for listing of schools), to meet code requirements and current technology needs.

\$13,000,000

Technology/ Multi-Media/ Library Infrastructure, to replace inadequate electrical systems with infrastructure to increase electrical power at school sites, provide new service panels and additional outlets in classrooms. This project would also install a computer network system to allow SFUSD school sites to communicate electronically. Would not include computer hardware or software.

<u>\$34,000,000</u>

\$80,000,000

SFUSD Total

Community College District Projects Proposed for Bond Funding

The six Community College District projects that would receive funding from the proposed bond measure are:

Technology/ Electrical Upgrades, based on consultant recommendations for installation of high capacity computer networking capabilities throughout the Community College District campuses.

\$16,500,000

Health and safety upgrades, include renovation of staff and student bathrooms, modernization of kitchens and food service facilities, installation of new fire alarm and security systems, and seismic upgrades to buildings.

\$11,000,000

Renovation projects, based on a review of facility conditions, including repainting, ventilation ductwork, replacement or repair of windows and doors, refinishing of floors, replacement of damaged ceiling tiles, repair of ventilation systems, and repair and replacement of faulty electrical items.

\$9,500,000

Child care additions, to expand and renovate existing Phelan Campus Child Development program and John Adams Campus child care program to accommodate increased enrollment needs. The project would also involve removal of asbestos and lead paint, new lighting, heating and plumbing systems, new play structures and renovated kitchen and bathroom facilities.

\$2,000,000

ADA/Accessibility upgrades, to comply with the Americans with Disabilities Act (ADA), including provision of accessible bathrooms, door hardware and ADA signage.

\$1,000,000

Chinatown Campus and Mission Campus, to fund site acquisition for both campuses. The Community College District currently leases space for these campuses. The site selection process is underway, but has not yet been completed. State funds would be requested for construction.

\$10,000,000

CCSF Total

\$50,000,000

Comments:

- 1. A summary report prepared by the SFUSD and the Community College District, containing detailed descriptions and benefits of each proposed project, is on file with the Clerk of the Board of Supervisors.
- 2. Mr. John Madden of the Controller's Office states that the sale of the proposed General Obligation bonds in the amount of \$130,000,000 would result in an increase in the property tax rate for 1997-98 of approximately \$0.021 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay approximately \$62 in additional property taxes beginning in 1997-98 due to the issuance of these bonds.
- 3. According to Mr. Taniguchi, the City has a self-imposed prudent debt limit of 2.8 percent of net assessed property value. The CIAC estimates that, under this debt limit and based on projections of net assessed property value and payments on existing debt, the City could issue up to approximately \$750 million in additional debt over the next ten years. Mr. Taniguchi further advises that this assumes that the City will issue a total of \$903.3 million in General Obligation bonds, previously approved by the voters, over the next ten years. In other words, Mr. Taniguchi estimates that the City could issue up to a total of \$1,653.3 million (\$750 million plus \$903.3 million) in debt over the next ten years under the self-imposed prudent debt limit. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

If all three of the bond issues proposed for the June, 1997 ballot -- (1) this subject \$130,000,000 educational building improvements program; (2) a proposed \$45,000,000 cultural facilities measure (Item 2, File 170-96-11); and (3) a proposed \$48,000,000 Zoo facilities measure (Item 4, File 170-96-13) -- are approved, the City would need to issue \$223,000,000 in

General Obligation Bonds over and above the current commitments. This represents approximately 30 percent of the \$750 million in additional debt (above the \$903.3 million in bonds that have previously been approved), that the City can issue over the next ten years under the prudent debt limit, according to CIAC projections.

8. As stated above, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued. Mr. Taniguchi advises that, as of the writing of this report, the City projects only approximately \$10 million of available debt capacity in Fiscal Year 1997-98. This temporary limit on the City's debt capacity could effect the pace at which the proposed bonds could be issued, if they are approved.

However, Mr. Taniguchi advises that of the total \$223 million for the three bond measure being proposed, only approximately \$135 million would be needed in the first year. Mr. Taniguchi further advises that the issuance of \$157,000,000 in bonds previously approved for the Moscone Center expansion is likely to be delayed pending the resolution of legal questions related to Proposition 218, a ballot measure approved by the voters in November of 1996, which states that "special taxes" require a two-thirds vote of the electorate. Proposition 218 may necessitate bringing the Moscone Center expansion bond measure before the voters a second time, due to a related two percent increase in the City's Hotel Tax rate.

Furthermore, Mr. Taniguchi advises that the City does not expect to need the full \$350,000,000 that was approved for the Seismic Safety Loan Program. Under these circumstances, the City could issue the full \$223,000,000 in General Obligation Bonds proposed for the June, 1997 ballot without exceeding the prudent debt limit.

9. Another issue that the Board of Supervisors and the electorate should consider is the fact there are other major capital improvement projects pending in the City that are expected to request General Obligation Bond funds. For example, the City's Youth Guidance Center, the San Bruno Jail, the DeYoung Museum and the Hall of Justice are four major capital improvement projects that are currently in various stages of development that will be requiring voter approval of General Obligation bond measures within the next several years. Since these projects have not yet been finalized or submitted to the Board of Supervisors for review,

the total amount of bond funds that would be necessary is not currently available. However, approval of the three bond measures proposed for the June, 1997 ballot could have a major impact on the City's ability to finance these other major capital improvement projects under the prudent debt limit.

- 4. Mr. Rafael Parra of the SFUSD states that the SFUSD has evaluated all of its facilities and ranked facility improvements in priority order. Mr. Parra advises that, if the proposed Educational Building Improvements Bond Program is approved, the SFUSD will still have an unfunded capital improvements need of approximately \$290 million. Mr. Parra advises that the SFUSD expects the State to sponsor an educational facilities bond measure that will enable the SFUSD to fund the balance of its current capital program. Mr. Parra states that, assuming that State support is obtained, the SFUSD does not plan to request another local bond measure for at least 10 years.
- 6. Mr. Peter Goldstein of the Community College District states that the Community College District has never before gone to the ballot with a local capital bond measure. Mr. Goldstein advises that total capital needs of \$140 million have been identified, which would leave an unfunded balance of approximately \$90 million, if the proposed Educational Building Improvements Bond Program is approved. Mr. Goldstein states that the Community College District will pursue State capital financing for this \$90 million balance, but would not rule out going back to the voters of San Francisco for some portion of this balance in a potential future bond measure.
- 7. Mr. Parra states that an Amendment of the Whole will be submitted to amend the proposed resolution to increase the size of the proposed Educational Building Improvements Bond Program by \$10,000,000, to a total of \$140,000,000. The additional \$10,000,000 would be used to fund the following two projects:

Seismic Upgrades to Mission High School, Galileo High School, Balboa High School, Taylor Elementary School, West Portal Elementary School and Stoffer Primary School.

\$4,000,000

Alice Fong Yu Elementary School new auditorium/ academic wing, to accommodate three new classrooms for K-3rd grade and classrooms for 6-8th grade, as well as computer lab, science lab, gymnasium and playyard for upper grades.

\$6,000,000

However, as of the writing of this report, the CIAC had not received such a request to increase the amount of the proposed Educational Building Improvements Program. Furthermore, Mr. Ted Lakey of the City Attorney's Office advises that such a change would require an additional public hearing, following public notice regarding this \$10,000,000 increase in the proposed Bond Program.

8. The expenditure of any of the proposed General Obligation Bond funds would be subject to general appropriation by the Board of Supervisors, and line item appropriation by the SFUSD and the Community College District, respectively.

Recommendation:

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

Item 4 -File 170-96-13

Department:

Recreation and Park Department (RPD)

Item:

Resolution determining and declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the San Francisco Zoo facilities and properties and all other works, property and structures necessary or convenient for the foregoing purposes, and determining that the estimated cost of \$48,000,000 for these municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a General Obligation bonded indebtedness.

Amount:

\$48,000,000

Description:

The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public convenience and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the City Attorney will prepare an ordinance to submit the proposed bond issue to the voters.

In order for the proposed General Obligation Bond measure to qualify for the June 3, 1997 ballot, the schedule provided by the Clerk of the Board states that the subject proposed resolution (File 170-96-13) must be approved by the Budget Committee no later than January 15, 1997.

Mr. Neal Taniguchi of the Office of Administrative Services states that, as of the writing of this report, the Capital Improvement Advisory Committee (CIAC) had not made a final recommendation regarding placement of the proposed bond issue on the ballot. Mr. Taniguchi advises that the CIAC requested the Zoo to provide the CIAC with an updated Zoo 2000 Master Plan indicating how the proposed General Obligation bond issue would fit in with the existing Zoo 2000 Master Plan. Mr. Taniguchi states that the CIAC will meet to review the requested Zoo proposal and plans and will make its recommendation on the proposed bond issuance on the

morning of January 15, 1997, prior to this meeting of the Budget Committee. Mr. Taniguchi states that the Chair of the CIAC, Mr. Steve Agostini of the Mayor's Office, will report directly to the Budget Committee regarding the results of the CIAC meeting.

The requested \$48 million would be used to fund new construction of a major portion of the San Francisco Zoo. This would include new animal homes and natural habitats for orangutans and chimpanzees, African lions, elephants, giraffes, antelopes and rhinoceros, lemurs and the Children's Zoo. Under the proposed plan, education and conservation would be included in each exhibit and the Children's Zoo would become part of a new Children's Center featuring interactive learning and teacher training areas. The proposed bond funds would also be used to finance a new entryway, bus and shuttle turnarounds, expanded visitor services, renovation of the carousel, a new South American exhibit, new service support areas, improved access for seniors and the disabled and landscaping throughout the Zoo.

It is anticipated that the proposed \$48 million in bond financing would be used to leverage an estimated \$25 million in private funds in a fundraising campaign that would be led by the San Francisco Zoological Society. Therefore, the Zoo's reconstruction plan includes estimated costs totalling \$73 million (\$48 million of General Obligation bond funds plus \$25 million of private funds).

Zoo Projects Proposed for Bond Funding

A budgetary breakdown of the total \$73 million proposed Zoo reconstruction plan is as follows:

Zoo Entry, to renovate the visitor parking area with plantings, expand the entry plaza, promenade, pathways, gift shop, retail areas, restrooms, medical station and tram station and provide new ticketing, membership and security.

\$7,110,142

African Savanna, to provide new homes for the giraffe, zebra, gazelle, ostrich, nyala, lion, elephant, hunting dog, hyena and small primate exhibits. Reconstruct night quarters/holding areas for the African lion, rhino, elephant and

stork exhibits. Construct new visitor interpretive center and restrooms. 19,410,500

Great Ape Forest With Classroom and Field Station, to create exhibit space for chimpanzees and orangutans, including night quarters, day shelters and a field station. A satellite classroom would be constructed to enable the public to observe and participate in activities. Gorilla World exhibit with public viewing areas would also be renovated.

\$13,464,506

Children's Center, to upgrade the exterior and interior animal exhibits and create an interactive center, including an amphitheater, nature trail, nursery facility, food service and restroom.

7,638,500

Education Center, to provide a special teacher training facility, including an education classroom building and administration building.4,861,500

Madagascar, to display the unique lemur, reptiles and other fauna through interactive devices to showcase specific projects and conservation efforts.

3,120,500

Carousel and Commons, to repair the existing carousel, improve visitor seating, paving and child play areas. 1,177,250

South American Gateway, to create new exhibits and habitats for tamarins and tapirs, including underwater viewpoints, and walk-through aviary.

6,390,002

Service, Warehouse and Quarantine Facilities, to rebuild and renovate support operations throughout the Zoo. 2,077,500

Restaurant, to construct new indoor and outdoor
"Panoramic Lunch" eating areas for viewing
various exhibits, including restrooms and
landscaping.
2,888,250

Repairs, Replacements and Renovations, to complete numerous immediate facility repairs to maintain current levels of zoo operations, including the capybara yard, old cheetah yard, sea lion and penguin pools, lion house roof, etc. 4.861.350

Total \$73,000,000

Comments:

- 1. In 1993 the Zoo was restructured as a public/private partnership with the San Francisco Zoological Society (Zoological Society) as the private nonprofit partner. An extensive lease agreement was developed between the City and the Zoological Society, in which the City agreed to (1) provide an annual management fee of \$4 million for Zoo operations and (2) place a bond issue on the ballot to pay for major renovations and rebuilding of deteriorated facilities for not less than \$25 million during the first five years of the lease. If the proposed \$48 million General Obligation bond measure is placed on the ballot, it would fulfill the City's obligation under the agreement with the Zoological Society. In return, the Zoological Society agreed to (1) provide not less than \$7 million annually toward Zoo operating expenses, (2) dedicate all Zoo revenues to the Zoo and (3) raise an additional \$25 million for capital improvements.
- 2. According to Mr. Jim Lazarus of the Zoological Society, since the public/private partnership was formed in 1993, the Zoological Society has raised a total of \$13 million for capital improvements to the Zoo. Mr. Lazarus reports that approximately \$11 million of the \$13 million is currently available. In accordance with the terms of the agreement with the City and under the provisions of the proposed bond measure, the Zoological Society would raise an additional \$25 million for capital improvements for the Zoo.

In a letter dated January 8, 1997 from Mr. David Anderson, the Director of the Zoo to Mr. Steve Agostini, the Chair of the CIAC, Mr. Anderson states that if the proposed bond proposal is approved and the renovations are completed, Zoo attendance and membership are expected to increase by up to 50 percent. Such increases will result in future increased revenues, enabling future phases of reconstruction of the Zoo to be "funded internally, without resorting to further general obligation bonds."

3. In May of 1996, Zoo staff prepared a Bond Program Report to the CIAC requesting placement on the November, 1996 ballot for \$35 million in General Obligation Bond funds for similar, although fewer Zoo projects than are currently being proposed. At that time, the CIAC did not recommend that the Zoo bond issue be included on the November, 1996 election. Instead, the

CIAC suggested that the Zoo reapply for the election in June of 1997. Since that time, the Zoo commissioned CLR Design, Inc. a zoological design firm, to conduct strategic planning for the Zoo. As part of that effort, the Zoo is now requesting a more aggressive approach to reconstructing the Zoo, and the previous \$35 million General Obligation bond measure has increased by \$13 million to the currently proposed \$48 million General Obligation Bond measure.

- 4. The current San Francisco Zoo Bond Program Report prepared by the Zoo contains additional background information, the goals and strategic planning process, specific details on the bond proposal and the cost and implementation schedule. This Bond Program Report is on file with the Clerk of the Board of Supervisors.
- 5. In 1990, an Earthquake General Obligation Bond measure was approved by the San Francisco voters which included \$26 million for the replacement of the Zoo's damaged and corroded underground utilities. According to Ms. Marla Jurosek of the Recreation and Park Department, to date, approximately \$10 million of the total \$26 million has been expended on this project. The balance of the work will be completed over the next two years, in conformity with the Zoo 2000 Master Plan.
- 6. Mr. John Madden of the Controller's Office states that the sale of the proposed General Obligation Bonds in the amount of \$48,000,000 would result in an increase in the property tax rate for 1997-98 of approximately \$0.00776 per \$100 of assessed value. At this rate, the owner of a single family residence assessed at \$300,000 would pay approximately \$23 in additional property taxes beginning in 1997-98 due to the issuance of these bonds.
- 7. According to Mr. Taniguchi, the City has a self-imposed prudent debt limit of 2.8 percent of net assessed property value. The CIAC estimates that, under this debt limit and based on projections of net assessed property value and payments on existing debt, the City could issue up to approximately \$750 million in additional debt over the next ten years. Mr. Taniguchi further advises that this assumes that the City will issue a total of \$903.3 million in General Obligation bonds, previously approved by the voters, over the next ten years. In other words, Mr. Taniguchi estimates that the City could issue up to a total of \$1,653.3 million (\$750 million plus \$903.3 million) in debt over the next ten

years under the self-imposed prudent debt limit. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

If all three of the bond issues proposed for the June, 1997 ballot -- (1) this subject \$48,000,000 Zoo facilities program; (2) a \$130,000,000 San Francisco Unified School District and San Francisco Community College Educational Building Improvements Bond program (Item 3, File 170-96-12); and (3) a proposed \$45,000,000 cultural facilities measure (Item 2, File 170-96-11) -- are approved, the City would need to issue \$223,000,000 in General Obligation Bonds over and above the current commitments. This represents approximately 30 percent of the \$750 million in additional debt (above the \$903.3 million in bonds that have previously been approved), that the City can issue over the next ten years under the prudent debt limit, according to CIAC projections.

8. As stated above, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued. Mr. Taniguchi advises that, as of the writing of this report, the City projects only approximately \$10 million of available debt capacity in Fiscal Year 1997-98. This temporary limit on the City's debt capacity could effect the pace at which the proposed bonds could be issued, if they are approved.

However, Mr. Taniguchi advises that of the total \$223 million for the three bond measure being proposed, only approximately \$135 million would be needed in the first year. Mr. Taniguchi further advises that the issuance of \$157,000,000 in bonds previously approved for the Moscone Center expansion is likely to be delayed pending the resolution of legal questions related to Proposition 218, a ballot measure approved by the voters in November of 1996, which states that "special taxes" require a two-thirds vote of the electorate. Proposition 218 may necessitate bringing the Moscone Center expansion bond measure before the voters a second time, due to a related two percent increase in the City's Hotel Tax rate.

Furthermore, Mr. Taniguchi advises that the City does not expect to need the full \$350,000,000 that was approved for the Seismic Safety Loan Program. Under these

circumstances, the City could issue the full \$223,000,000 in General Obligation Bonds proposed for the June, 1997 ballot without exceeding the prudent debt limit.

- 9. Another issue that the Board of Supervisors and the electorate should consider is the fact there are other major capital improvement projects pending in the City that are expected to request General Obligation Bond funds. For example, the City's Youth Guidance Center, the San Bruno Jail, the DeYoung Museum and the Hall of Justice are four major capital improvement projects that are currently in various stages of development that will be requiring voter approval of General Obligation bond measures within the next several years. Since these projects have not yet been finalized or submitted to the Board of Supervisors for review, the total amount of bond funds that would be necessary is not currently available. However, approval of the three bond measures proposed for the June, 1997 ballot could have a major impact on the City's ability to finance these other major capital improvement projects under the prudent debt limit.
- 10. The expenditure of any of the proposed General Obligation Bond funds would require a supplemental appropriation to be approved by the Board of Supervisors, if the electorate approves the proposed General Obligation bonds.

Recommendation:

Approval of the proposed resolution is a policy decision for the Board of Supervisors.



Items 5 & 6 - Files 97-96-62 & 97-96-63

Department:

Department of Public Health

Items:

File 97-96-62: Ordinance amending Administrative Code Section 16.6-10 to authorize the Department of Public Health (DPH) to join the University Healthsystems Consortium (UHC) and the University Healthsystems Consortium Services Corporation (UHCSC).

File 97-96-63: Ordinance adding Section 19A.36 to the Administration Code to authorize the Director of Public Health to access all services provided by the University Healthsystems Consortium (UHC) and the University Healthsystems Consortium Services Corporation (UHCSC) including purchasing supplies and accessing clinical and financial databases.

Description:

The UHC is an alliance of approximately 70 academic health centers that provides group purchasing programs, as well as comparative data from member organizations on value management (clinical practices, cost management, labor performance, etc.) and market management (patient satisfaction surveys and managed care strategy analysis). The UHCSC is a wholly owned subsidiary of the UHC, which administers the group purchasing programs.

The proposed ordinances would authorize the DPH to join the UHC and the UHCSC (File 97-96-62), and to access services provided by these subject organizations, including purchasing supplies and accessing clinical and financial databases (File 97-96-63).

The combined annual membership fee for both the UHC and the UHCSC is \$17,000. Mr. Dwight Starr of the SFGH states that such funds are available in the DPH FY 1996-97 Materials and Supplies budget. According to Mr. Starr, the DPH estimates that participation the UHCSC group purchasing programs will save the DPH approximately \$2 million annually. (See Comment No. 1.) Therefore, Mr. Starr states that the expenditure of \$17,000 from the DPH Materials and Supplies budget will be more than made up for by savings to the Materials and Supplies budget resulting from the expenditure.

Comments:

1. Mr. Starr states that the DPH participated in a UHC cost savings analysis of DPH medical/surgical supplies and pharmaceuticals, comparing current acquisition costs incurred by the DPH with the prices that are currently

available through the UHCSC group purchasing programs. Mr. Starr advises that this analysis showed that the DPH would save approximately \$2 million per year by participating in the UHCSC group purchasing programs. Because the proposed membership would be in effect for approximately five months of FY 1996-97, and some time would be required to fully utilize the UHCSC group purchasing programs, Mr. Starr estimates that maximum cost savings of \$823,000 (\$840,000 less the \$17,000 membership fee) could be achieved in FY 1996-97.

- 2. According to Mr. Starr, the DPH would select which UHCSC group purchasing contracts to use, and so would continue to apply existing policies on MBE/WBE participation in DPH contracts. In addition, Mr. Starr advises that participation in the UHCSC group purchasing programs would be complementary with the existing prime vender distribution program previously approved by the Board of Supervisors (See File 25-96-11), under which the DPH contracts with the Allegiance Healthcare Corporation to purchase and distribute materials and supplies to DPH facilities. Mr. Starr states that the Allegiance Healthcare Corporation would be able to utilize the DPH membership in UHCSC to purchase supplies for the DPH.
- 3. Mr. Starr states that the DPH will maintain a log to track the cost savings achieved under the UHCSC group purchase programs.
- 4. Mr. Starr reports that until recently, UHC and UHCSC membership was restricted to academic health systems. However, Mr. Starr advises that, in 1996, the UHC has started to offer membership to all organizations that are members of the National Association of Public Hospitals (NAPH). Because the SFGH is a member of the NAPH, the DPH can now join the UHC and the UHCSC. Mr. Starr reports that the DPH will be one of the first public, non-academic institutions to join the UHC and the UHCSC.

Recommendation: Approve the proposed ordinances.

Item 7 - File 10-96-10

Note: This item was transferred to the Finance Committee by the Housing and

Land Use Committee at its meeting of December 12, 1996.

Department: Department of Public Works (DPW)

Resolution approving a Major Encroachment Permit¹ Item:

Agreement between the City and County of San Francisco and Metricom, Inc., (Metricom) permitting Metricom to mount 500 wireless radio repeater devices (radio devices) on City-owned light poles for a term of 24 months and adopting findings pursuant to Section 101.1 of the Planning Code.

The proposed resolution would approve a Major Description:

Encroachment Permit Agreement (the "Agreement") between the City and County of San Francisco and Metricom permitting Metricom to mount, construct, install, maintain. operate, repair, replace and remove, at Metricom's sole expense, 500 wireless radio repeater devices (radio devices) on City-owned light poles for a period of 24 months. The purpose of the radio repeater devices is to enable high speed access to on-line services, local-area-networks, and telephone modems. If approved by the Board of Supervisors, the Major Encroachment Permit would become effective upon (1) Metricom delivering an executed and acknowledged copy of the Permit to the Director of Public Works and to the Director or Purchasing, and (2) Metricom delivering to the Director of Public Works an insurance policy and such other documentation as is required by the Permit.

The City Planning Commission, by Motion Number 14156, dated July 11, 1996, declared that the proposed encroachment by Metricom conforms to the City's General Plan, provided that four specific conditions of approval are met. Those conditions of approval are contained in Attachment I to this report. By approving the proposed resolution, the Board of Supervisors would find that the proposed encroachment by Metricom is consistent with the eight priority policies of the San Francisco Planning Code Section 101.1.

¹ According to Mr. Michael Olsen of the City Attorney's Office, a Major Encroachment Permit is a revocable right to occupy or place facilities in a public right-of-way, granted by the Board of Supervisors. A Minor Encroachment Permit is a similar right of occupancy that is incidental and adjacent to the use and ownership of fronting property. A Minor Encroachment is permitted by the Director of Public Works.

The Public Utilities Commission (PUC), by Resolution Number 96-0218, dated October 8, 1996, approved and recommended to the Board of Supervisors the proposed Major Encroachment Permit.

The proposed resolution also contains the following provisions:

- 1. Metricom shall obtain the necessary permits and pay the necessary permit fees, inspection fees, and all other fees prior to and in connection with any work in the public right-of-way or upon City-owned light poles;
- 2. No structure or facilities may be constructed, installed, or maintained upon any City-owned light pole except as specifically provided in the Permit, the Planning Conditions, and the proposed resolution;
- 3. The City and County reserves the right to exact any fee, charge, assessment or other cost for the purpose of relocating any facilities installed pursuant to the Permit when such costs may be incurred by the City in connection with the performance of governmental or proprietary activities by the City and County in the public right-of-way.

Comments:

- 1. The DPW held a public hearing on the proposed Permit on August 28, 1996, and there were no objections to the subject encroachments, according to DPW.
- 2. The Agreement contains the following provisions concerning fees and other payments payable by Metricom to the City:
 - a. On or before the effective date of the Agreement, Metricom shall pay to the City a one-time non-refundable permit fee in the amount of \$20,037.67 to cover the City's processing, inspection, and other administrative costs.
 - b. On or before the effective date of the Agreement and on each annual anniversary of the effective date throughout the term of the Agreement, Metricom shall pay to the City a fee of \$30,000.00 for the use of the 500 City light poles. If the City in its sole and absolute discretion authorizes the use of additional City light poles for the installation of wireless radio repeater devices, Metricom shall pay the City an additional annual fee, prorated for any partial year, in the amount equal to \$600 for every

ten additional light poles, or fraction thereof, authorized by the City.

- c. The City would have right, at its option, on its own behalf or on behalf of the San Francisco Unified School District or any other City entity, to purchase any number of Basic Subscriptions for Metricom's Services, which consists of enabling high speed wireless access to communications services, such as to the internet or to online services, at a rate equal to the lesser of (1) Metricom's lowest rate then available to any government entity, or (2) \$19.95 per month. In addition, the City would be entitled to Metricom's lowest available rate for purchase and/or lease of modems for purposes of accessing Metricom's services and any additional services that Metricom may offer or be authorized to offer.
- d. Metricom would pay to the City, as an encumbrance fee, an amount equal to five percent of the gross receipts, payable in arrears on a quarterly basis. The Agreement contains provisions for administering these payments, such as monitoring the stated gross receipt amounts and provisions for late payments.
- e. In addition to the fees enumerated herein, Metricom would pay to the City all applicable deposit fees, permit fees, and other fees as required to be paid in connection with obtaining permits or performing work under the proposed Agreement.
- f. Upon execution of the proposed Agreement, Metricom would make a security deposit in the sum of \$22,500 in order to secure Metricom's faithful performance of all terms, covenants, and conditions of the proposed Agreement, including the removal of the installed radio devices. In lieu of the security deposit, Metricom may deliver to the City a valid surety bond in the sum of \$22,500.
- g. Upon execution of the proposed Agreement and prior to the installation of any radio devices, and on each annual anniversary of the effective date of the Agreement, Metricom would pay to the City a non-refundable annual fee for the cost of electricity supplied to each radio device, which fee would be calculated in the amount of \$7.35 per radio device per year, or the sum of \$3,675 per year based on 500 radio devices. Should the number of radio devices be increased, the fee would be increased by an amount equal to the then current cost of electricity supplied to

each radio device. Further, if during the term of the proposed Agreement the cost of the electricity supplied to each radio device increases, Metricom would pay the amount of such increase to the City.

- 3. Attachment II to this report, prepared by the Department, is a summary of the fees cited above including the estimated amounts that would be payable by Metricom to the City.
- 4. The proposed Agreement contains other provisions including those concerning limitation and restrictions, waivers and indemnification, insurance, work standards, utility users' tax/other fees, and termination. The "Termination" section of the Agreement includes a provision whereby after notice and public hearing, if the Board of Supervisors determines that Metricom's continued use of City property would adversely affect public health, safety, or welfare, the City could terminate the Agreement immediately upon written notice to Metricom.
- 5. Attachment III to this report are photographs showing (1) a close-up view of a wireless radio repeater device attached to a light pole, and (2) a landscape view showing a wireless radio repeater device attached to a light pole in the light pole's environment.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

EXHIBIT A

CONDITIONS OF APPROVAL

Conditions of Approval.

- This authorization is granted to install up to 500 wireless telecommunications antennae and transceiver units on City-owned street light poles throughout the City with the following exception: The units shall not be installed on any of the following features:
 - 1. Within Historic Districts:
 - 2. Within proposed Historic Districts;
 - 3. Within Conservation Districts:
 - 4. Along identified scenic routes; and
 - Along streets where there are, or are proposed to be installed, historicstyle street light poles such as along Market Street, Van Ness Avenue, and Dolores Heights.
- The facility shall not be operated, nor caused to transmit on or adjacent to any
 radio frequencies licensed to the City for emergency telecommunication services
 such that the City's emergency telecommunications system experiences
 interference, unless prior approval for such has been granted in writing by the City.
- 3. The Project Sponsor shall, at the request of the City, remove any installation from any street light pole, at the Project Sponsor's own cost and expense, in response to any protest or complaint by any member of the public.
- 4. The approval and finding of consistency with the General Plan subject to this Motion is for a two year period only, coinciding with the proposed two year lease period of this Application. Should the City and Project Sponsor wish to re-new a lease and encroachment permit, the Project Sponsor shall seek a new finding of consistency with the General Plan from the Planning Commission.

P:02

SUMMARY OF METRICOM FEES

Year One

Year Two

Projected Total Revenue

Section 7.1

FEE: \$20,037.67

0

\$20,037.67

One time fee to cover City's costs to process this agreement and inspect the installation of the units.

FEE: \$30,000

\$30,000

\$60,000

Annual fee for use of up to 500 poles

POTENTIAL FEE:

Potential fee per ten additional poles if approved by City. This is not likely to occur in 2 year term of agreement.

Section 7.4

FEE: 5%

5%

5%

This is an Encumbrance Fee of 5% of the Gross Receipts payable in arrears. Since this is a fairly new company and a fairly new technology I am unable to project potential City revenue over the relatively short term of this agreement. Deputy City Attorney Mike Olsen should provide the definition of this fee. My stab at it is that it is a "street use fee" for the privilege of using the right-of-way. This is potential general fund revenue with no direct cost to the City.

Section 7.7

The fees required as stated in this agreement, do not relieve Metricom from paying all other applicable City fees.

Section 7.8

DEPOSIT: \$22,500

This deposit is in a sum equal to 150% of the estimated cost for the City to remove the units should Metricom fail to. Unused portion of this deposit would be returned to Metricom when this agreement expires or is terminated.

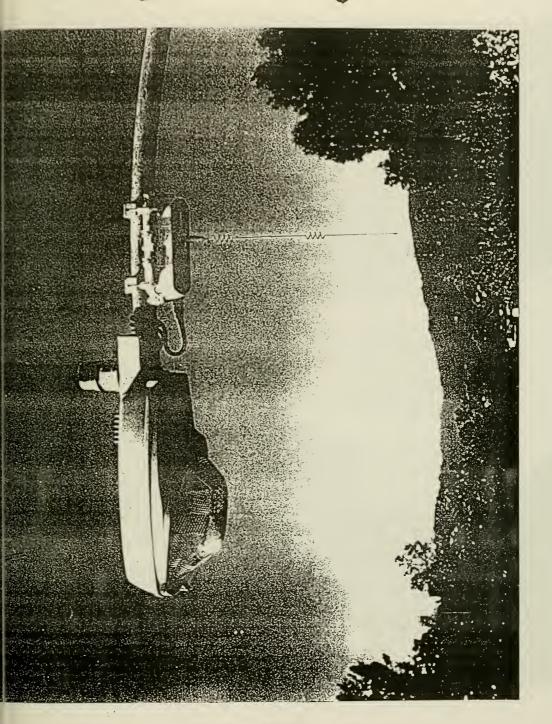
Section 7.9

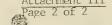
FEE: \$3,675

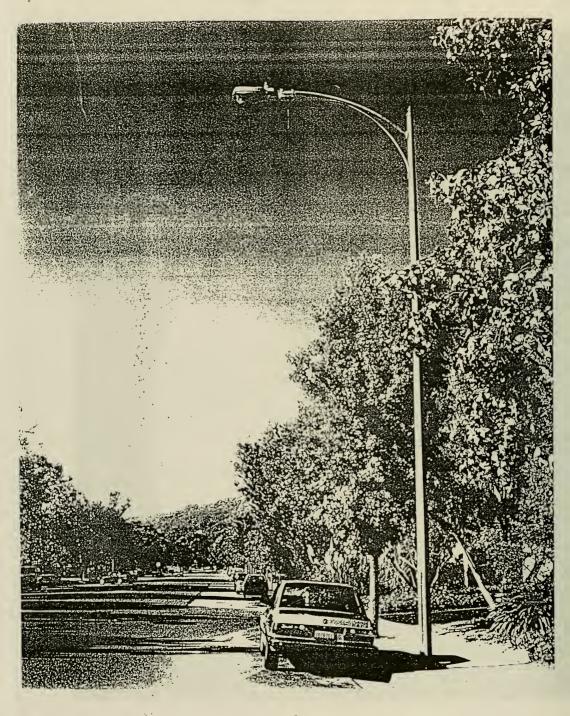
\$3,675

\$7,350

Nonrefundable anual fee for the cost of electricity necessary for the operation of up to 500 radio repeater units attached to City light poles. This is a cost for service fee.







Item 8 - File 27-96-17

Department:

Airport

Item:

Resolution authorizing the Airport's International Services Division to exercise the powers necessary to allow the Division to promote and market the services of Airport staff to the public and private sectors.

Description:

On November 5, 1996, the Airport Commission adopted a resolution that established an International Services Division at the Airport. According to Mr. Leo Fermin, Assistant Deputy Director for the Airport, the purpose of this Division will be to offer the San Francisco International Airport's expert consulting services to other airports which are engaged in developing new or expanded facilities. Mr. Fermin notes that this is an enterprise in which private sector firms are not involved, since few if any airports are managed by private firms. Rather, according to Mr. Fermin, expert consulting services to airports throughout the world are generally provided by persons affiliated with other airports.

Mr. Fermin indicates that the new International Services Division is expected to generate additional revenue for the Airport by marketing and promoting the Airport's expertise in operating, managing and developing airports. According to Mr. Fermin, San Francisco businesses will also benefit from these services, due to new subcontracting opportunities for these firms resulting from the Airport's ability to generate airport consulting opportunities which would not otherwise exist.

Ms. Mara Rosales of the City Attorney's Office advises that, before the proposed services can begin, the Board of Supervisors must authorize the Airport's International Services Division to perform these consulting services for other airports, because the Airport's consulting services will be provided for a fee. These revenues would accrue to the Airport directly, according to Mr. Fermin.

Approval of the proposed resolution would authorize the Airport's International Services Division to "exercise the powers necessary to allow the Division to promote and market the services of Airport staff to public and private sectors."

Attachment to this report includes additional information provided at the Budget Analyst's request by Mr. Fermin, describing the nature of the services, and the potential benefits to local firms from the Airport's consulting services.

Comments:

- 1. Mr. Fermin advises that several international airports, including airports in England, Paris and Singapore, have consulting divisions similar to San Francisco's newly established International Services Division. These airports are listed in the letter submitted by Mr. Fermin (Attachment). The list includes U.S. airports in Boston and New York, and airports abroad in Paris, London, Singapore, Montreal, Vienna, Frankfurt, Amsterdam, and others. According to Mr. Fermin, these are all major international airports.
- 2. Mr. Fermin advises that any costs incurred by the Airport in FY 1996-97 due to the establishment of the International Services Division will be absorbed within the Airport's FY 1996-97 budget. Mr. Fermin states that one position at the Airport is now dedicated to this effort, but that the Airport will most likely request the addition of five new positions in the 1997-98 Airport budget to manage and staff the International Services Division. Mr. Fermin indicates that the five positions, if created in 1997-98, would be funded from the consulting fees paid to the Airport for its consulting services. Actual expenditures for personnel needed to staff the program will depend upon the extent of the consulting services provided, according to Mr. Fermin.
- 3. In addition, Mr. Fermin advises that the Airport intends to request \$15,000 in new funding for materials and supplies in the FY 1997-98 budget for the International Services Division.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Airport Commission City and County of San Francisco Willie L. Brown, Jr Mayor

Henry E Berman President Roland A Quan Vice President Michael S Strunsky Larry Mazzola Linda S. Crayton

JOHN L. MARTIN Airport Director



January 9, 1997

Via Fax: (415) 252-0461

Ms. Eve Sternberg
Budget Analyst
City and County of San Francisco
1390 Market Street, Suite 1025
San Francisco, CA 94102

Subject: SFIA International Services Division

Dear Ms. Sternberg:

I am writing in response to your questions regarding the proposed Board of Supervisors resolution.

1. How will this help San Francisco firms?

San Francisco International Airport's ("Airport") entrance into international airport services will provide an opportunity for San Francisco firms to promote their services and develop contacts with airports overseas. In the course of providing services to airport operators, there will likely be opportunities (1) for the Airport to subcontract certain tasks to San Francisco professional service firms and (2) for the Airport to provide potential contract leads to San Francisco firms. For example, in the last year the Airport has conducted several briefing workshops for visiting overseas airport delegations with San Francisco-based architectural and engineering firms participating in the presentations. The Airport plans to formalize and expand these types of workshops.

2. Will SFIA be competing with the private sector?

The Airport will be competing with other major international airports, not United States private sector firms. The Airport will be marketing its services as a world class international airport operator. There are currently no U.S. private

Ms. Eve Sternberg January 9, 1997 Page 2

sector firms which would compete with the Airport in providing airport management expertise.

- 3. Please provide a detailed list of airports providing international consulting services.
 - Aeroports de Paris
 - British Airports Authority
 - Manchester Airport (U.K.)
 - Singapore Changi Airport
 - Montreal International Airport
 - Vienna International Airport
 - Frankfurt International Airport
 - Amsterdam Schipol Airport
 - Port Authority of New York and New Jersey
 - Boston Logan Airport

Please call me at 737-7835 if you require any additional information.

Very truly yours,

Leo Fermin

Assistant Deputy Director

LF:ts

bcc: John L. Martin

John Costas Peter Nardoza Mara Rosales

X:\STERNBER.LTR

Memo to Budget Committee January 15, 1997 Meeting of Budget Committee

Item 9 - File 121-96-13

Department:

Police Department

Item:

Ordinance amending Sections 2.26 and 2.27 of the Police Code, relating to permit filing fees and permit license fees for tow car firms and ramped taxicabs.

Description:

The proposed ordinance would establish permit filing fees and permit license fees to be charged to tow car firms and ramped taxicab operators (minivan taxicabs adapted for wheelchair users). An ordinance amending the Police Code, providing regulations for the operation of tow car companies (File 121-96-12), was recommended for approval by the Health, Public Safety and Environment Committee and is pending before the Board of Supervisors. That ordinance states that fees will be charged to cover the costs of processing permit applications (permit filing fees) and administering the tow car company regulations (permit license fees). A separate proposed ordinance (File 121-96-14, scheduled for the January 22, 1997 meeting of the Budget Committee) would amend the Police Code, providing regulations for issuing permits for ramped taxicabs.

Tow Car Firms: The proposed ordinance would establish a \$346 non-refundable filing fee for submitting an application for a tow car company permit. Applicants who are awarded tow car company permits would pay an annual permit license fee of \$346 for the first tow truck, plus \$138 for each additional tow truck.

Ramped Taxicabs: The proposed ordinance would establish a \$277 non-refundable filing fee for submitting an application for a ramped taxicab permit. Applicants who are awarded ramped taxicab permits would pay an annual permit license fee of \$138. The proposed ramped taxicab permit license fee of \$138 is equivalent to the permit license fee currently paid by taxicab operators who agree to participate throughout the permit year in the Paratransit Program.

Comments:

1. Officer Farrell Suslow of the SFPD states that all costs of processing and enforcing the proposed tow car company ordinance and the proposed ramp taxicab ordinance are expected to be covered by the proposed filing fees and permit license fees. Officer Suslow states that, because the SFPD has not administered the subject permits for tow car companies and ramped taxicabs in the past, the SFPD has had to estimate the cost of processing permit applications and administering the license regulations in order to set the

Memo to Budget Committee January 15, 1997 Meeting of Budget Committee

subject fees. The SFPD made such estimates for tow car companies based on the assumption that the costs of regulation of tow car companies will be similar to the costs of regulation of taxicab companies, with some additional monitoring requirements. The SFPD assumes that the costs of regulating ramped taxicabs will be similar to the costs of regulating taxicabs involved in the Paratransit Program. Officer Suslow further advises that the SFPD will review the actual costs after the first year of administering the subject tow car company and ramped taxicab licenses, and request an adjustment to the filing fees and permit license fees at that time, if necessary, to fully cover all such costs.

- 2. As noted in Comment No. 1 above, the SFPD has established permit filing and license fees to cover projected costs using comparative information on similar regulatory programs. The Budget Analyst concurs with the SFPD's stated plan to monitor actual costs related to regulation of tow car companies and ramped taxicabs during the first year of implementation of the subject permit filing and license fees, so that such fees can be modified if actual costs exceed fee revenues.
- 3. The proposed ordinance includes permit filing and license fees for ramped taxicabs, which are directly related to a proposed ordinance establishing regulations for ramped taxicabs (File 121-96-14), scheduled for the January 22, 1997 Budget Committee meeting. Ms. Linda Ross of the City Attorney's Office states that the subject proposed fee ordinance (File 121-96-13) should be considered by the Board of Supervisors at the same time that the proposed regulatory ordinance (File 121-96-14) is to be considered by the Board of Supervisors. Therefore, the Budget Analyst recommends that the subject proposed ordinance (File 121-96-13) be continued to the January 22, 1996 meeting of the Budget Committee.

Recommendation:

Continue consideration of the proposed ordinance to the January 22, 1997 meeting of the Budget Committee.

Memo to Budget Committee January 15, 1997 Budget Committee Meeting

Item 10 -File 101-96-29

Department:

Department of Human Services

Item:

Supplemental appropriation ordinance for salaries, materials and supplies, aid assistance, professional services and services of other departments to support the Welfare Reform Task Force and providing for ratification of action previously taken.

Amount:

\$53,823

Source of Funds:

\$18,591 Various Federal Matching Revenue 35,232 General Fund Reserve

\$53.823

Description:

The Welfare Reform Task Force was created by the Mayor in October, 1996 to identify how the City and County of San Francisco should address the recent changes in Federal and State Welfare Reform. The Task Force is comprised of 120 members from the community, including business, advocacy, and client representatives and over 60 City staff members, for a total of over 180 members on the Welfare Reform Task Force. The major City departments that are represented on the Task Force include the Department of Human Services, the Department of Public Health, Mayor's Budget Office, Mayor's Office of Community Development, Mayor's Office of Housing, the Commission on Aging and the Board of Supervisors. The proposed supplemental appropriation of funds would be used to finance the activities of the Welfare Reform Task Force.

Budget:

Temporary Salaries-Misc. \$16,467

2 0.5 FTEs 9914 Public Service Aides to support the Task Force with various administrative tasks from October, 1996

through May, 1997.

Materials and Supplies 3,000

Miscellaneous supplies for Task Force.

Childcare Assistance

16,640

Funds to reimburse Task Force members for the cost of childcare, based on 16 members requesting assistance for two children each for four hours per week for 26 weeks at \$5 per hour.

Transportation

\$666

Funds to purchase MUNI tokens at \$.80 per token for 832 tokens for 16 Task Force members to attend 26 weeks of meetings.

Professional & Specialized Services

Funds for facilitating four task force meetings 6,050 and one steering committee meeting. DHS has already expended \$1,250 for ten hours (\$125 per hour) for Don Beam & Associates, a LBE firm to facilitate one meeting. The remaining \$4,800 will be expended based on the four remaining meetings. Each meeting will require one hour of preparation time, three hours of meeting time and two hours for follow-up for a total of six hours per meeting. Based on two persons at a cost of \$100 per person results in four meetings x six hours x \$200 equals \$4,800.

Focus Groups to incorporate client input 5,000 into Task Force proposals, and to design, conduct and report on 12 client focus groups. DHS has selected Paul Harder + Company based on written proposals from three firms. Paul Harder + Company is a LBE firm with hourly rates ranging from \$15 for data processing to \$125 for consultant focus group time. Based on an average hourly rate of approximately \$70 per hour the amount requested will fund approximately 71 hours of consultant services. See Comment 3 for additional details.

Postage for approximately ten mailings to 120 non-City Task Force members.

3,000

Services of Other Departments_ Reproduction for the interim, draft and final reports 3,000

Total

\$53,823

Comments:

1. Ms. Julie Murray Brenman of the Department of Human Services reports that the Welfare Reform Task Force held their first meeting in late October, 1996. As directed by the Mayor, the Welfare Reform Task Force will complete their preliminary plan in February, 1997 and a final plan in May, 1997.

- 2. According to Ms. Murray Brenman, since the Task Force has been convening since late October, 1996, some of the expenditures in the proposed supplemental appropriation, such as part of the Temporary Salaries, Materials and Supplies, Transportation and Postage monies have already been incurred. Therefore, the proposed ordinance provides for ratification of actions previously taken. Ms. Murray Brenman reports that the Department of Human Services has been paying for these expenditures out of its own Fiscal Year 1996-97 budget. According to Ms. Murray Brenman, if the proposed supplemental appropriation is approved, the funds would be reimbursed to the Department of Human Services budget.
- 3. DHS has received a Rosenberg Foundation grant for \$50,000 and a Stuart Foundation grant for \$10,000 for work activities related to Welfare Reform. DHS plans to use approximately \$2,500 from each of these Foundation grants for a total of \$5,000 to supplement the \$5,000 requested in this supplemental appropriation for the Focus Groups. According to Ms. Murray Brenman, therefore a total of approximately \$10,000 would be used to pay the consultant Paul Harder + Company for the Focus Groups.
- 4. Ms. Murray Brenman reports that since the Task Force is expected to complete all of its duties by May, 1997, there will not be any funds requested for this Task Force in the Fiscal Year 1997-98 budget. In addition, Ms. Murray Brenman reports that the temporary positions created under the proposed supplemental appropriation will be terminated with the completion of the Task Force responsibilities.
- 5. In summary, the support activities for the Welfare Reform Task Force would be funded with the proposed supplemental appropriation. According to Ms. Murray Brenman, the purpose of the Task Force is to insure that the City has a coordinated response to Welfare Reform. In addition, the Task Force is studying how to most efficiently use City funds to meet the needs of the clients.

Recommendation:

Approve the proposed supplemental appropriation ordinance.



Memo to Budget Committee January 15, 1997 Meeting of Budget Committee

Item 11 - File 101-96-32

Department: Department of Human Resources (DHR)

Item: Ordinance appropriating \$414,553 from the General Fund

Reserve for professional services, other current services, materials and supplies and equipment for labor negotiation costs at the Department of Human Resources, Employee

Relations Division for FY 1996-97.

Amount: \$414,553

Description:

Source of Funds: General Fund Reserve

The proposed \$414,553 supplemental appropriation would fund costs associated with labor negotiations to be conducted by the Employee Relations Division (ERD) of the Department of Human Resources (DHR). Ms. Andrea Gourdine, Director of the DHR, advises that the DHR is responsible for negotiation and potential arbitration of 35 labor contracts during FY 1996-97, including the largest City labor union, the Service Employees International Union (SEIU). (See Attachment No. 1 for a complete list of labor organizations with which the DHR has negotiated or will be negotiating during the balance of FY 1996-97.)

The DHR estimates that the total budget for legal counsel (both City Attorney staff and outside counsel), professional services and equipment will be \$1,079,298. Mr. Mike Martin of the Mayor's Office states that \$664,745 is available from current year budgeted funds (see Comment No. 1). The balance of \$414,553 is the subject of this proposed supplemental appropriation.

Mr. Geoff Rothman of the ERD reports that the labor negotiation costs included in the DHR FY 1996-97 original budget were based on a \$485,500 FY 1995-96 supplemental appropriation for such costs in FY 1995-96. However, Mr. Rothman states that the DHR is responsible for negotiating with 35 labor organizations in FY 1996-97, as opposed to negotiating with 25 labor organizations in FY 1995-96. In addition, Mr. Rothman advises that the SEIU Memorandum of Understanding, which was not the subject of FY 1995-96 negotiations but will be negotiated this fiscal year, involves more employees in more classifications than any other single labor organization. Mr. Rothman states that the additional costs for FY 1996-97 labor negotiations were not included in the original FY 1996-97 budget because such costs could not be accurately estimated at the time the budget was prepared.

Therefore, Mr. Rothman states that the FY 1996-97 budget only included \$485,500 for labor negotiation costs. (See Comment No. 1 for a discussion of other available funding.)

Pudgate	Item	Cost	
Budget:	<u>tem</u>	Cost	
	Legal Counsel		
	O'Melveny & Myers	\$316,575	
	Liebert, Cassidy & Frierson	90,835	
	McKenna & Cuneo	69,300	
	City Attorney	250,588	
	Subtotal		\$727,298
	Professional Services		
	R & G Consulting: Salary Surveys		
	1,200 hours @ \$100/hr	\$120,000	
	R & G Consulting: Accounting Salary	Ψ120,000	
	Survey; 150 hours @\$100/hour	15,000	
	Word Processing	23,000	
	4,500 hours @ \$15/hour	27,000	
	Special Surveys	,	
	3,500 hours @\$25/hour	87,500	
	Instructions: Technical Writing		
	750 hours @\$25/hour	18,750	
	Implementation Programming		
	250 hours @ \$25/hour	6,250	
	Subtotal		¢074 E00
	Subtotal		\$274,500
	Equipment		
	4 Personal Computers	\$10,000	
	4 Laptop Computers	10,000	
	Paper, diskettes, etc.	10,000	
	4 Phone lines: installation	4,000	
	Telecomm. and Information Services Dept		
	Information Services Division (ISD)	40,000	
	Shredder	1,500	
	Messenger/Federal Express Services	2,000	

Total Estimated Costs for Labor Negotiations in FY 1996-97 \$1,079,298

\$77,500

BOARD OF SUPERVISORS BUDGET ANALYST

Subtotal

-,

Memo to Budget Committee January 15, 1997 Meeting of Budget Committee

Less Available Funding

DHR FY 1996-97 Budget (\$354,200) Work Orders (160,545) Carry Forward from DHR FY 1995-96 (150,000)

Total Available Funding

(\$664,745)

Balance Requested in this subject Supplemental Appropriation Request:

\$414,553

Attachment No. 2 to this report shows a Summary of Costs for Labor Negotiations, including estimated hours and cost per hour of legal counsel and professional services.

Comments:

1. Mr. Rothman reports that, although approximately \$485,500 was originally available in the FY 1996-97 DHR budget for negotiation costs, approximately \$131,300 has already been encumbered by the DHR, leaving a balance of \$354,200 available from budgeted funds. According to Mr. Rothman, the Public Utilities Commission (PUC) and the Airport have agreed to contribute a combined total of \$160,545 in work orders from their Enterprise Funds towards labor negotiation costs, because both the PUC and the Airport have many employees who will be covered by the labor negotiations that will be conducted this year by the DHR. Mr. Rothman states that another \$150,000 is available in funds carried forward from the FY 1995-96 labor negotiation cost supplemental appropriation; he states that these funds were not needed because DHR did not engage in as much arbitration activity as expected in 1995-96.

Thus, a total of \$664,745 is already available from existing sources (\$354,200 + \$160,545 + \$150,000 = \$664,745) to offset the costs of the 1996-97 labor negotiations.

- 2. Mr. Rothman states that approximately \$150,000 of the funds budgeted for legal counsel are based on the assumption that ERD will have to engage in arbitration of a significant number of the 35 labor contracts to be negotiated. Arbitration is required in the event an agreement is not reached between ERD and a union. Mr. Rothman states that this is a "worst case" estimate.
- 3. The Budget Analyst notes that the 1996-97 labor negotiations will be the third year of collective bargaining conducted pursuant to Proposition F which was approved by the voters in November 1994. Similarly, the subject ordinance represents the third consecutive year in which

supplemental funds have been appropriated for this activity. Notwithstanding this prior history, the DHR is not currently able to estimate with precision its expected costs for legal counsel and related professional services for the 1996-97 negotiations. While this type of cost uncertainty may be unavoidable in the short term, the Budget Analyst believes that the DHR should report to the Finance Committee during the current 1996-97 fiscal year concerning its cost history for collective bargaining in the three years since passage of Proposition F, relative to the number of contracts which were negotiated and/or renewed in each year.

4. The combined total requested for legal counsel and professional services in 1996-97 is \$1,001,798 (\$727,298 + 274,500 = \$1,001,798). Because of the budgetary uncertainty of the current cost estimates, the Budget Analyst recommends that one-quarter (25 percent) of the total proposed funds for legal services and professional fees, or \$250,450 (\$1,001,798 times 25 percent) be reserved, pending the receipt of such a collective bargaining financial report from the DHR.

The resulting appropriation of \$164,103 (\$414,553 requested less \$250,450 proposed reserve = \$164,103), if appropriated, would be added to the \$664,745 in funds already available for collective bargaining in DHR's budget, for total initial funding of \$828,848 for 1996-97 collective bargaining. The Budget Analyst believes that this amount is sufficient to commence a wide range of collective bargaining activities, and that further funds should not be released in the absence of submission to the Finance Committee by the DHR of the above-mentioned detailed cost analysis of collective bargaining activities pursuant to Proposition F.

- 5. According to Mr. Rothman, the \$15,000 budgeted for an accounting salary survey by the firm of R & G consulting is included because of a specific provision in the Local 21 Memorandum of Understanding previously approved by the Board of Supervisors, committing the City to performing such a salary survey. However, Mr. Rothman advises that the DHR and Local 21 are engaged in discussions regarding whether or not the union still wants the City to carry out the subject survey. Therefore, the Budget Analyst recommends that \$15,000 be reserved from the professional services requested, pending resolution of this issue.
- 6. Mr. Rothman states that the firms of (1) O'Melveny & Myers, attorneys; (2) Liebert, Cassidy & Frierson, attorneys; (3) McKenna & Cuneo, attorneys; and (4) R & G Consulting, salary survey services, have been retained by the City

Attorney's Office, based on their unique background and prior experience with City of San Francisco labor negotiations.

- 7. Mr. Ray Wong of DHR indicates that none of the contractors named in the supplemental appropriation request are MBE or WBE firms.
- 8. The DHR plans to hire as-needed consultants on an hourly basis to perform the word processing, special surveys, preparation of contract implementation instructions (technical writing), and programming of implementation salary rates into the City's financial system. Mr. Rothman advises that four telephone lines are requested to enable these as-needed consultants to work in DHR offices and coordinate closely with DHR personnel.
- 9. Mr. Wong states that four personal computers are needed because the ERD does not have sufficient personal computers that are capable of efficiently running the spreadsheet programs that are needed during labor negotiations. Mr. Wong further advises that the ERD currently has two laptop computers, but needs an additional four laptop computers because ERD expects to conduct several negotiations simultaneously. Mr. Wong advises that laptop computers are needed to enable detailed note-taking and cost analysis at negotiation meetings.
- 10. Mr. Wong states that the shredder is needed because of the high volume of confidential draft documents that must be disposed of during labor negotiations.
- 11. The \$10,000 in projected paper and diskette costs is primarily for copying costs for lengthy labor agreements, including those prepared in draft form. Mr. Rothman advises that copying costs are significant because the DHR has to provide at least 24 copies of most final labor agreements, and up to 75 copies of the lengthy SEIU agreement. The Budget Analyst has confirmed that these documents run from 60 to 100 pages in length, and therefore believes that the \$10,000 estimate for copying costs is reasonable. Mr. Rothman states that the DHR is budgeting \$2,000 for messenger costs, chiefly related to communications between the various legal counsels and the DHR.
- 12. According to Mr. Wong, the Telecommunications and Information Services Department's ISD estimates that it will incur costs of \$40,000 to process information requests related to the labor negotiations.

Memo to Budget Committee January 15, 1997 Meeting of Budget Committee

- Recommendations: 1. Reserve \$250,450 of the total requested appropriation of \$414,553, representing one-quarter of the budget submitted for legal and professional services, pending the receipt of a detailed analysis by DHR of the City's collective bargaining costs over the last three years (subsequent to the voters' approval of Proposition F).
 - 2. Reserve \$15,000 from professional services pending a decision on whether or not the DHR is required to perform a salary survey of accounting classifications.
 - 2. Approve the proposed supplemental appropriation as amended.

unions in 1997 bargaining	
LABOR ORGANIZATION	# OF EE
BLDG INSPECTORS	48
BRICKLAYERS #3	3
CARPENTERS #22	105
CEMENT MASONS #580	24
DA INV	127
ELECTRICAL WORKERS #6	614
GLAZIERS #718	13
HOD CARRIERS #36	2
IFPTE LOCAL #21	2200
INSTIT POLICE OFF, SUPV	16
IRON WORKERS #377	13
LABORERS #261	861
MAA	320
MACHINISTS #1414	380
MEA	498
OPERATING ENGINEERS #3	120
PAINTERS #4	72
PILE DRIVERS #34	15
PLASTERERS #66	1

Sheet1

PLUMBERS #38	251
PROB OFFICERS	156
ROOFERS #40	8
SEIU 250	1753
SEIU 535	1137
SEIU 790	8796
SEIU STAFF NURSES	1225
SFAPP	236
SHEETMETAL WORKERS #104	40
SUPV NURSES	175
THEATRICAL STAGE #16	4
TWU 250A 7410	120
TWU 250A MISC	133
TWU SEAM	213
UAPD	232
UNREP	400
TOTALS	20311

Summary of costs for labor negotiations:

Hours	Cost/Hour	Cost	
1,367	232	316,575	
491	185	90,835	
330	210	69,300	
2,054	122	250,588	
	Sub Total		727,298
1,200	100	120,000	
150	100	15,000	
1,800	15	27,000	
3,500	25	87,500	
750	25	18,750	
250	25	6,250	
	Sub Total		274,500
		10,000 10,000 10,000 4,000 40,000 1,500 2,000	
	Sub Total		77,500
	Total Cost		1,079,298
	Total Funds	Available	(664,745)
	Total Shortf	all	414,553
	1,367 491 330 2,054 1,200 150 1,800 3,500 750	1,367 232 491 185 330 210 2,054 122 Sub Total 1,200 100 150 100 1,800 15 3,500 25 750 25 250 25 Sub Total Sub Total Total Cost	1,367 232 316,575 491 185 90,835 330 210 69,300 2,054 122 250,588 Sub Total 1,200 100 120,000 150 100 15,000 1,800 15 27,000 3,500 25 87,500 750 25 18,750 250 25 6,250 Sub Total 10,000 10,000 10,000 4,000 4,000 4,000 1,500 2,000 Sub Total



Memo to Budget Committee January 15, 1997

Items 12 - Files 216-95-1.2

Item:

Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) A subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC is to be constructed; and amending Section 6 of Ordinance No. 80-96 to provide an elevation adjustment to Assessor's Block 759, Lot 1 (the "Hayward Playground"), to allow for the construction of the underground parking structure for the CECC.

Description:

The City and County of San Francisco is planning to consolidate its emergency services communications functions in the Police Department, Fire Department, Department of Public Health, Paramedic Division, Department of Parking and Traffic, and the Mayor's Office of Emergency Services into a Combined Emergency Communications Center (CECC), scheduled to be completed in 1999. The CECC will house the 911 emergency call-taking activities, and the combined dispatch of Police, Fire, Emergency Medical, and Traffic Control operations.

Findings

The Board of Supervisors, pursuant to Section 6a of Article XIV of the 1898 and 1929 Charters, Sections 11.101 and 11.102 of the 1932 Charter, and Section 18.01 of the 1996 Charter, has the authority to select and set aside, by ordinance, real property in the Hayward Playground, formerly known as Jefferson Square, for the construction of buildings and related improvements to serve as a central communications center to allow for effective responses to City-wide emergencies.

By Ordinance No. 80-96, dated March 3, 1996, the Board of Supervisors found that the construction and operation of the new CECC is a use for which real property in the Hayward Playground may be set aside under the Charter. Because the present Central Fire Alarm Station and the Interim Emergency Command Center Site must remain operational during the construction period of the new CECC, the Board of Supervisors allocated other real property in the Hayward Playground for construction of the new CECC.

By Ordinance No. 80-96, the Board of Supervisors also determined that upon completion of the CECC, the existing Central Fire Alarm Station and the interim Emergency Command Center would be demolished and replaced with certain recreation facilities. The Board further determined that jurisdiction of the recreation facilities site would be transferred to the City's Recreation and Park Commission upon completion of the new recreation facilities, except for the subsurface area which would be retained by the Department of Telecommunications and Information Services.

In selecting and setting aside the additional property for the CECC, the Board of Supervisors established the policy that any further set-aside of Hayward Playground property could only be for boundary adjustments or for other reservations of subsurface space that may be necessary for the design, construction, or operation of the CECC and do not significantly interfere with the recreation purposes of such property.

In designing the CECC, the Bureau of Architecture of the Department of Public Works has determined the following:

- 1. The existing sewer line servicing the Central Fire Alarm Station and Emergency Command Center is inadequate for the new CECC building and will need to be replaced with a new subsurface sewer line to be located closer to the CECC.
- 2. The underground parking structure to be constructed for the CECC building, consisting of 57 parking spaces, will need to be at its highest point two feet above the existing floor slab in the Central Fire Alarm Station.
- 3. The underground parking structure will require an emergency right-of-way for ingress and egress to and from Octavia Street.
- 4. An aerial encroachment area is necessary for overhangs and building movement over the southern boundary of the property.

The Recreation and Park Department has reviewed the proposed property and boundary adjustments and determined that they do no significantly interfere with the recreational purposes of the property.

Effects of Proposed Ordinance

The proposed ordinance would (a) amend Section 6 of Ordinance No. 80-96, as described in point number one below, (b) effect adjustments to the area set aside for the CECC at the Hayward Playground, as described in point numbers two, three, and four below, and (c) establish property jurisdictions, as described in point number five below.

- 1. Section 6 of Ordinance No. 80-96 would be replaced in its entirety. Pertinent changes are as follows:
 - a. Reference to the total demolition of the present Central Fire Alarm Station and the Interim Emergency Command Center is changed to the demolition of only the first story of those two existing buildings. (The structures below the first stories of the two buildings include communications vaults and other facilities that the City wishes to retain).
 - b. Reference to the right of the Department of Telecommunications and Information Services to use the area below the new recreation improvements is changed to the area commencing at two feet above the existing first floor slab of the Central Fire Alarm Station. (The additional two feet would provide space for the construction of a new roof and new roof structure).
 - c. Reference to the Real Estate Department Map No. 2 is changed to the "Site Map." The proposed ordinance further specifies that the above-referenced "Site Map" is the map filed with this proposed ordinance (the Attachment) and not the map filed with Ordinance No. 80-96.
- 2. The subsurface area shown in the Site Map (see "New Sewer Line" in the "Attachment") for the purpose of installing, operating, and maintaining an underground, ten-foot wide, sewer line to service the CECC would be set aside.
- 3. The area designated on the Site Map (see "Emergency Access" in "Attachment") for the purpose of installing, operating, and maintaining a vehicular emergency right-of-way for ingress and egress to and from Octavia Street would be set aside.

Memo to Budget Committee January 15, 1997

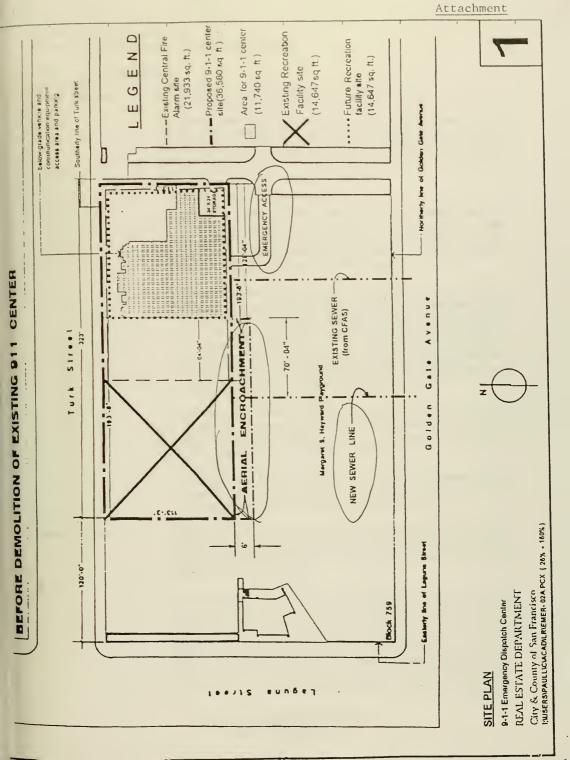
- 4. The area necessary to allow for an encroachment area extending no more than 72 inches for overhangs and movement of the CECC over the southerly boundary of the property would be set aside (see "Aerial Encroachment" in "Attachment"), provided that the overhang encroachment does not interfere with existing structures.
- 5. All of the areas selected and set aside by this proposed ordinance would be under the jurisdiction of the Department of Telecommunications and Information Services, successor to the Department of Electricity and Telecommunications. Further, all areas selected and set aside under Ordinance No. 80-96 and formerly placed under the jurisdiction of the Department of Electricity and Telecommunications would be under the jurisdiction of the Department of Telecommunications and Information Services.

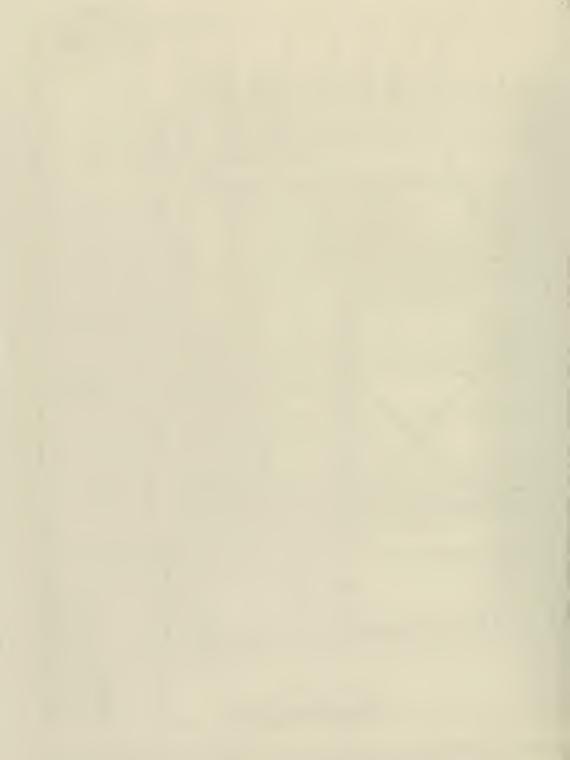
Comments:

- 1. According to Mr. Paul Travis of the Bureau of Architecture, the cost of the proposed new sewer line is estimated to be \$30,000 and the cost of the proposed vehicular emergency right-of-way for ingress and egress is estimated to be \$20,000, which would be funded using 911 Dispatch Center Project funds.
- 2. This Item, File 216-95-1.2, is a companion to Item No. 13, File 170-96-10, which is also on the Budget Committee calendar for the meeting of January 15, 1996.
- 3. In summary, the proposed ordinance would set aside certain real property in the Hayward Playground required by engineering refinements made by the Bureau of Architecture. The proposed property to be set aside would not, according to the Recreation and Park Department, significantly interfere with the recreational purposes of the property.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Memo to Budget Committee January 15, 1997 Finance Committee Meeting

Item 13 - File 170-96-10

Department:

Department of Administrative Services

Item:

Proposed ordinance to authorize lease financing in an aggregate principal amount not to exceed \$25.0 million to finance the construction of the Consolidated Emergency Communications Center (CECC), also referred to as the 911 Dispatch Center.

The proposed ordinance would:

- rescind a prior ordinance that created a master lease for both the Citywide 800 Megahertz Radio System and the 911 Dispatch Center (ordinance No. 208-94) so that separate project leases and financing can be established for the new 911 Dispatch Center alone;
- approve lease agreements between the San Francisco Finance Corporation and the City for the construction of the 911 Dispatch Center and the leasing of the completed 911 Dispatch Center by the City (the San Francisco Finance Corporation is a non-profit organization established for purposes of issuing and managing various forms of bonded or lease-backed debt for equipment and facilities that are lease-purchased by the City;'
- approve the issuance of lease revenue bonds by the San Francisco Finance Corporation for the construction of the 911 Dispatch Center and a continuing disclosure agreement related to the bond issuance; and,
- approve an Official Statement related to the issuance of lease revenue bonds and the execution of documents in connection with the matters described above.

Description:

Total project costs for the 911 Dispatch Center are now an estimated \$71,184,822, including total debt service of approximately \$51.0 million on a bond principal amount of approximately \$35 million.

The amount of this first proposed lease revenue bond issuance shall not exceed \$25.0 million (actual issuance amount is anticipated to be \$23,750,000), the proceeds of which will be used for construction of the 911 Dispatch Building at the Margaret S. Hayward Playground site (in the block bounded by Golden Gate Avenue, Gough Street, Turk Street and Laguna Street). A subsequent bond issuance in the amount of approximately \$10.0 million for Mobile

Computing Terminals (MCTs), Automated Information System (AIS) records management hardware, and Computer Aided Dispatch (CAD) hardware is expected to be requested in approximately June, 1998.

As previously noted, this initial bond issuance of \$23,750,000 is intended to provide funding for the construction of the 911 Dispatch Center building. The projected estimated sources and uses of the bond proceeds for this initial issuance are shown in the table below.

Sources and Uses of Lease Revenue Bond Proceeds -Initial Issuance

<u>Sources</u> Initial Lease Revenue Bond Proceeds	\$ 23,750,000
Uses Construction Fund Capitalized Interest Debt Service Reserve Fund Underwriters Discount Cost of Issuance Bond Insurance Working Capital and Contingency	17,330,000 3,579,143 1,998,516 237,500 350,000 233,665 21,176
Total Uses	\$ 23,750,000
Total Debt Service - Initial Issuance	\$ 38,615,292
Average Debt Service Over 25 Years Including Capitalized Interest (estimated maximum interest rate of 6.15%)	\$ 1,544,612

The \$17.33 million amount shown in the table above for the Construction Fund will be augmented by unspent General Obligation Bond funds in the amount of \$2.1 million (previously appropriated for Fire Department Capital Projects) and pay-as-you go funding in the amount of approximately \$4.8 million from the collection of 911 Emergency Response Fee funds, for total construction costs of \$24.3 million. The 911 Emergency Response Fee is a \$.50 per month per phone line fee on residential and commercial telephone users in San Francisco that will provide partial funding for the entire 911 Dispatch Center project.

Total sources and uses for the construction of the 911 Dispatch Center building are shown in the table below.

911 Dispatch Center Building Construction Project

Sources		
Lease Revenue Bond Construction Fund	\$	17,330,000
General Obligation Bonds		2,100,000
911 Fee - Pay as You Go		4,843,100
Total Sources	\$	24,273,100
<u>Uses</u>		
Project Management	\$	1,227,500
City Planning, Environmental Review, Site Survey		133,000
Programming Planning		112,500
Project Outreach/Art Enrichment		180,000
Temporary Basketball Courts		339,500
Design and Construction Documents		1,185,000
Permit Review		225,000
Building Construction		15,840,000
Construction Management,		
Architectural and Engineering Services		1,490,000
Permanent Courts/Parking Expansion Design and Construction		2,641,600
Hazardous Materials Abatement		50,000
Furniture, Fixtures & Equipment	_	849,000

As will be addressed in the Comment Section on the following pages, the total construction cost of \$24,273,100 shown above, which is the second revised cost estimate, is approximately \$5.1 million more than the \$19.2 million first revised construction cost estimate provided to the Budget Committee in February, 1996. Furthermore, the \$19.2 million estimate of February, 1996 was approximately \$6.0 million greater than the original construction cost estimate of \$13.2 million. Overall, the cost estimate has increased by nearly 84 percent, or \$11,073,100 (\$24,273,100 less \$13,200,000).

24.273.100

Reasons provided by the Department of Public Works as to why the original construction cost estimate of \$13.2 million increased to \$19.2 million for the 911 Dispatch Center

BOARD OF SUPERVISORS BUDGET ANALYST

Total Uses

Memo to Budget Committee January 15, 1997 Finance Committee Meeting

building were (1) inflationary increases in the cost of construction; (2) expansion of the facility from the original plan of 28,000 square feet to 35,000 square feet; (3) errors in the original estimation of the cost of building the temporary and permanent basketball and volleyball courts; (4) various items related to seismic hardening of the building, provision of emergency generators and an uninterrupted power supply, that have been determined to be necessary following consultation with other jurisdictions that have recently completed construction of similar facilities; (5) the need for bullet proof glass in the facility; and (6) improvements to ventilation and the need for backup heating, ventilation and air conditioning systems and the necessity to construct a separate access for electric wiring and other mechanical systems.

The Department of Public Works project manager, Mr. Michael Quan, has stated that the first revised construction cost estimate of \$19.2 million was faulty, and did not anticipate increasing costs for steel and other materials, as evidenced by the recently received competitive bids for the project. Also, due to the large number of public works projects now being undertaken in the City and at the Airport, few bidders participated in the process for the 911 Dispatch Center building. This resulted in the present second revised construction cost estimate of \$24.3 million.

The Department of Public Works has submitted a pending supplemental appropriation request to the Board of Supervisors in the amount of \$17,330,000 for lease revenue bond funds to be used for the construction project.

Comments:

1. The table on the following page shows that the current total project cost estimate for the 911 Dispatch Center is now \$71,184,822, or \$11,208,875 more that the February, 1996 total project cost estimate of \$59,975,947.

Included in the net increase of \$11,208,875 are additional interest costs of \$12.6 million which would be incurred because the bond debt for the building construction will be amortized over a period of 25 years instead of the original plan of 10 to 13 years. According to Ms. Laura Wagner-Lockwood of the Department of Administrative Services Public Finance Division, the City Attorney's Office found that the shorter amortization period of 10 to 13 years resulted in annual lease payments to the San Francisco Finance Corporation that would have exceeded reasonable estimates of the fair market rent value for the building. Bond Counsel has advised that the City is prohibited from making lease

payments in excess of fair market rental values. Therefore, in order to reduce the lease payments to a fair market rent value, it became necessary to amortize the debt over a longer period of time. According to Ms. Wagner-Lockwood, current cash flow projections indicate that sufficient 911 Emergency Response Fee funds will be available to call the lease revenue bonds in the year 2008 if the City chooses to do so at that time, thus avoiding future interest expense.

Building construction increases of \$5,037,100 and interest expense increases of \$12,563,864 are partially offset by decreased projected expenditures for various communications, hardware and software items.

Revised Total Project Costs - 911 Emergency Dispatch Center

	eruary, 1996 Estimates		Current Estimates		nerease Deercase)
Building Construction.	\$ 19,236,000	\$	24,273,100	\$	5,037,100
Community Mitigation Costs	2,031,000		2,031,000		-
Wire Communications	682,825		612,825		(70,000)
Telecommunications	1,925,973		1,364,749		(561,224)
Telephone Conversions	280,000		280,000		-
Data Communications	1,434,300		1,434,300		-
Mobile Computing Software	5,458,744		3,600,000		(1,858,744)
Other Radio Communications	1,083,000		1,133,000		50,000
CAD Hardware	2,500,000		2,000,000		(500,000)
CAD Software	2,500,000		2,500,000		-
AIS Hardware	6,500,000		5,200,000		(1,300,000)
AIS Software	5,000,000		5,000,000		-
Project Management - CA's Office	4,544,105		4,210,000		(334,105)
Upfront Bond Financing Costs	6,800,000	_	4,981,984		(1,818,016)
Subtotal	\$ 59,975,947	\$	58,620,958	\$	(1,354,989)
Additional Interest Costs	<u> </u>		12,563,864		12,563,864
Total Project Costs *	\$ 59,975,947	\$	71,184,822	\$	11,208,875
Less - General Obligation Bonds	(2,100,000)		(2,100,000)		-
Less - 911 Fee Collections and Interest**	(47,514,857)		(58,819,691)	(11,304,834)
Net General Fund Cost ***	\$ 10,361,090	\$	10,265,131		(95,959)

- * The Administrative Services Department's Public Finance Division now reports that the total project costs of \$59,975,947 reported in February, 1996 mistakenly did not include approximately \$5.0 million in debt service for hardware and software.
- ** Current Estimates show required fees of approximately \$55 million plus interest earnings, for a total of \$58.8 million. Increased 911 Fee Collections included under Current Estimates are based on the assumption that an amendment to the Administrative Code will be

Memo to Budget Committee January 15, 1997 Finance Committee Meeting

approved by the Board of Supervisors to permit collections above the current cap of \$49.0 million. If such an amendment is not approved, the Net General Fund Cost for the project will increase by approximately \$6.6 million (\$55 million in projected fee collections required less the \$49.0 million current cap amount plus lost interest earnings of approximately \$600,000 equals \$6.6 million).

*** General Fund costs would be incurred over the next four years.

2. As shown above, the current financing plan for the 911 Dispatch Center Project anticipates the collection of approximately \$58.8 million in 911 Emergency Response Fees including interest earned from such fees instead of \$47.5 million as projected in February, 1996. These figures are based on the percentage of total project costs that can be recovered from the 911 Emergency Response Fees as stipulated by the Administrative Code (currently 82 percent of total project eligible costs, which are less than total project costs since project eligible costs exclude Community Mitigation Costs and a \$2.0 million of the Automated Information System, or AIS, costs). However, the Administrative Code currently provides that 911 Emergency Response Fees to be collected cannot exceed \$49.0 million. The Department of Administrative Services and the City Attorney are reviewing the option of amending the Administrative Code to increase the maximum amount of 911 Emergency Response Fees that can be collected. If such an amendment to the Administrative Code is not submitted and approved by the Board of Supervisors, then the net General Fund cost of the 911 Emergency Dispatch Center project will increase by \$6.6 million (\$55 million in projected fee collections required, less the current cap amount of \$49.0 million plus lost interest earnings of approximately \$600,000 on the Emergency Response Fees).

Recommendation:

The proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Teng
Supervisor Yaki

Supervisor Yee

Clerk of the Board Controller Steve Agostini Stephen Kawa Ted Lakey

REGULAR MEETING *BUDGET COMMITTEE *BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

JAN 23 1997 SAN FRANCISCO PUBLIC LIBRARY

WEDNESDAY JANUARY 22, 1997 - 1:00 P.M.

VETERANS BUILDING 401 VAN NESS AVENUE ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:03 P.M.

FISCAL

1. File 101-96-30. [Appropriation, Board of Supervisors] Ordinance appropriating \$10,000, Board of Supervisors, from the General Fund Reserve to memberships to join the Urban Counties Caucus, for fiscal year 1996-97. (Controller) RO #96168

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

2. File 101-96-31. [Appropriation, Administrative Services/City Attorney/Controller] Ordinance appropriating \$300,000 of Bond Proceeds (\$51,415 of 1992 Fire Facility Improvement Bonds-Series 1996C; \$103,219 of 1994 School Bonds-Series 1996D; \$106,229 of Asian Art Museum Relocation bonds-Series 1996E and \$39,137 of 1989 Earthquake Safety Bonds-Series 1996B) for other current expenses to provide the Department of Administrative Services, City Attorney and Controller with costs of issuance for fiscal year 1996-97. (Controller) RO #96170

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

3. File 101-96-33. [Appropriations, Recreation and Park Department] Ordinance appropriating \$100,000, Recreation and Park Department, from a General Fund Reserve, for an integrated pesticide plan for training, materials and supplies, equipment and services of other department for fiscal year 1996-97. RO #96180. (Controller)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

(Supervisor Leal requested to be added as sponsor.)

VOTE: 2-1. (Supervisor Brown absent.)

4. <u>File 101-96-34.</u> [Appropriation, Mayor's Office] Ordinance appropriating \$60,145, Mayor's Office, from General Fund Reserve for bilingual domestic violence to allow the Mayor's Office to contract with the Asian Women's Shelter for fiscal year 1996-97. RO #96176. (Controller)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

5. File 101-96-35. [Appropriation, Mayor's Office of Community Dev.] Ordinance appropriating \$187,936, Mayor's Office of Community Development, to continue contracts for dispute resolution services in fiscal year 1996-97; providing for ratification of action previously taken. RO #96185. (Controller)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Steve Agostini, Finance Director, Office of the Mayor; Wayne March, Mayor's Office of Community Development; Harvey Rose, Budget Analyst. IN SUPPORT: Terry Andgrel, Dispute Board. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

6. File 101-96-28. [Appropriation, Water Department] Ordinance rescinding and transferring \$10,910,000, Water Department, of various capital improvement projects funds, for fiscal year 1996-97. RO #96163. (Controller) (COMPANION TO THE TWO FOLLOWING FILES)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Steven Carmichael, Director of Finance, Water Department; Steve Agostini, Director of Finance, Office of the Mayor; Andrew Grosso, Director of Management, Water Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD, RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

7. File 101-92-42.2. [Reserved Funds, Water Department] Consideration of release of reserved funds, Water Department (1985 Water Revenue Bond Fund), in the amount of \$181,000 to supplement funding of the 1996-97 Capital Improvement Program. (Also see File 101-90-121.7) (Public Utilities Commission) (COMPANION TO THE PRECEDING AND FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Steven Carmichael, Director of Finance, Water Department; Steve Agostini, Director of Finance, Office of the Mayor; Andrew Grosso, Director of Management, Water Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$181,000 APPROVED. FILED.

VOTE: 2-1. (Supervisor Brown absent.)

8. File 101-90-121.7. [Reserved Funds, Water Department] Consideration of release of reserved funds, Water Department (1991 Water Bond Fund), in the amount of \$4,500,000 to supplement the funding of the 1996-97 Capital Improvement Program. (Also see File 101-92-42.2) (Public Utilities Commission) (COMPANION TO THE PRECEDING FILES)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Steven Carmichael, Director of Finance, Water Department; Steve Agostini, Director of Finance, Office of the Mayor; Andrew Grosso, Director of Management, Water Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$4,500,000 APPROVED. FILED.

 File 161-96-4.2. [Reserved Funds, Redevelopment Agency] Consideration of release of reserved funds, Redevelopment Agency, in the amount of \$150,000 to fund consultant and support services for the Mid-Market Survey Area Project. (Redevelopment Agency)

SPEAKERS: None.

ACTION: HEARING HELD. RELEASE OF \$150,000 APPROVED. FILED.

VOTE: 2-1. (Supervisor Brown absent.)

GENERAL

10. File 28-96-12. [Emergency Repair, Pier 70 Drydock Oil Spill] Resolution approving a declaration of emergency for contractual assistance in assessing damages from the Cape Mohicon oil spill incident at Pier 70 - \$35,000. (Port Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. CONSIDERATION CONTINUED TO JANUARY 29, 1997, MEETING. Add a resolve clause to read: "The Board of Supervisors hereby approves the expenditure of \$42,000 by the San Francisco Port Commission for the declaration of emergency." AMENDED TITLE: "Approving a declaration of emergency for contractual assistance in assessing damages from the Cape Mohicon oil spill incident at Pier 70, Port of San Francisco in the amount of \$42,000.

VOTE: 2-1. (Supervisor Brown absent.)

11. File 28-96-13. [Emergency Repair, Pier 48 Sheds A and B] Resolution approving a declaration of emergency to demolish the fire damaged Pier 48 at the Port of San Francisco; and to conduct damage assessment and design repair work - \$750,000 insurance proceeds. (Port Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Add a resolve clause to read: "The Board of Supervisors hereby approves the expenditure of \$318,400 by the San Francisco Port Commission for the declaration of emergency." AMENDED TITLE: "Approving a declaration of emergency to demolish the fire damanaged Pier 48 sheds at the Port of San Francisco; and to conduct damage assessment and design repair work in the amount of \$318,400."

12. File 28-96-14. [Emergency Repair, Pier 43-1/2] Resolution approving a declaration of emergency for engineering services to repair a failed section of Pier 43-1/2, Franciscan Restaurant Parking Deck, Port of San Francisco - \$12,955. (Port Commission)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

13. <u>File 97-96-65.</u> [Commission on the Aging Membership] Ordinance amending Administrative Code by amending Section 16.6-59 relating to Commission on Aging membership by adding additional specific organizations. (Commission on the Aging)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENED.

VOTE: 2-1. (Supervisor Brown absent.)

14. File 121-96-14. [Permits, Specialized Motor Vehicles for Hire] Ordinance amending the Police Code by amending the definitional Section 1076 thereof relating to taxicabs, and adding Sections 1148 through 1148.5 providing for the issuance of permits and the operations and regulation of specialized motor vehicles for hire. (Police Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Officer Fred Suslow, Permit Division, Police Department; Harvey Rose, Budget Analyst. IN SUPPORT: Nathan Worry, Michael Kwok, Paratransit Council; Bruce Oka, Paratransit Council; Jeff Remey; Dan Hendrix; Lori Graham. OPPOSED: Charles Rathbourne, United Taxicabs; Steven Remers; Mark Ruberg; Rule Graffis, United Taxicabs.

ACTION: HEARING HELD. RECOMMENDED.

15. File 121-96-13. [Permit Fees for Tow Car Firms/Ramped Taxicabs]
Ordinance amending the Police Code by amending Sections 2.26 and 2.27,
relating to permit filing fees and permit license fees for tow car firms and
ramped taxicabs. (Police Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Officer Fred Suslow, Permit Division, Police Department; Harvey Rose, Budget Analyst. IN SUPPORT: Nathan Worry, Michael Kwok, Paratransit Council; Bruce Oka, Paratransit Council; Jeff Remey; Dan Hendrix; Lori Graham. OPPOSED: Charles Rathbourne, United Taxicabs; Steven Remers; Mark Ruberg; Rule Graffis, United Taxicabs.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Brown absent.)

16. File 60-97-1. [Special Election, June 3, 1997] Ordinance calling and providing for a special election to be held in the City and County on Tuesday, June 3, 1997, provided that one or more measures is timely submitted to the voters of the City and County to be voted on at that election. (Clerk of the Board)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED "DO PASS". (TO APPEAR ON BOARD CALENDAR FOR FEBRUARY 3, 1997.)

CABLE FRANCHISE

17. File 32-96-1.4. [Cable Television Franchise Amendments] Ordinance amending Ordinance Number 105-64, as amended by Ordinances No. 528-88, 315-89, 375-90 and 42-91, by amending all sections, including deleting Section 19 and Appendices 1 through 9, renumbering Sections 20 through 24 and adding new Sections 24, 25, 26, 27, 28, 29, 30, 31, and 32 and Appendices A through H, to clarify and expand the obligations of the grantee, Television Signal Corporation. (City Attorney) (COMPANION TO THE FOLLOWING FILES)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney. DEPARTMENTAL REPRESENTATIVES: Julia Friedlander, Deputy City Attorney; Steve Nelson, Director of Administrative Services, City Administrator's Office. NO POSITION STATED; Lee Peron, representing TCI, Richard Patch, representing TCI. IN SUPPORT: George Espora; Mark Kline; Dee Ann Hendrix. OPPOSES: Mike Freedman, Telecommunications Policy Committee; Zane Blaney, Chair, Telecommunications Policy Committee; Chris Witeman; John Fenton; Charles Fredericks; Martin Zabora; Sybil Deborete, Telecommunications Policy Committee; Bill Filonore; James Jenkins; John Dugan; Lazanis Johnson, Steven Hunt; David Pilpel; Greg Richardson; Ray Brown.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING SAME TITLE PREPARED IN COMMITTEE. ADOPTED. AMENDMENT OF THE WHOLE RECOMMENDED. (TO APPEAR ON BOARD CALENDAR FOR FEBRUARY 3, 1997.)

18. File 32-96-1.5. [Cable Television Franchise Transfer] Resolution approving the transfer of control over Television Signal Corporation, San Francisco Cable Television Franchise grantee, from Viacom, Inc., to Tele-Communications, Inc., upon condition of acceptance and tender to the City and County of the franchise amendments, the guaranty, the mutual release and compensation for certain costs and expenses related to the transfer. (City Attorney) (COMPANION TO THE PRECEDING AND FOLLOWING FILES)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney. DEPARTMENTAL REPRESENTATIVES: Julia Friedlander, Deputy City Attorney; Steve Nelson, Director of Administrative Services, City Administrator's Office. NO POSITION STATED; Lee Peron, representing TCI, Richard Patch, representing TCI. IN SUPPORT: George Espora; Mark Kline; Dee Ann Hendrix. OPPOSES: Mike Freedman, Telecommunications Policy Committee; Zane Blaney, Chair, Telecommunications Policy Committee; Chris Witeman; John Fenton; Charles Fredericks; Martin Zabora; Sybil Deborete, Telecommunicaions Policy Committee; Bill Filonore; James Jenkins; John Dugan; Lazanis Johnson, Steven Hunt; David Pilpel; Greg Richardson; Ray Brown.

ACTION: HEARING HELD. RECOMMENDED. (TO APPEAR ON BOARD CALENDAR FOR FEBRUARY 3, 1997.)

VOTE: 2-1. (Supervisor Brown absent.)

File 32-96-1.6. [Gift Acceptance, Tele-Communications, Inc.] Resolution authorizing the Director of the Department of Telecommunications and Information Services to accept on behalf of the City a gift in the amount of Two Hundred Thousand Dollars (\$200,000), from Tele-Communications, Inc. (TCI) for the purchase of television production equipment for the government access channel for installation in the television studio in the new Main Library. (City Attorney) (COMPANION TO THE PRECEDING AND FOLLOWING FILES)

SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney. DEPARTMENTAL REPRESENTATIVES: Julia Friedlander, Deputy City Attorney; Steve Nelson, Director of Administrative Services, City Administrator's Office. NO POSITION STATED; Lee Peron, representing TCI, Richard Patch, representing TCI. IN SUPPORT: George Espora; Mark Kline; Dee Ann Hendrix. OPPOSES: Mike Freedman, Telecommunications Policy Committee; Zane Blaney, Chair, Telecommunications Policy Committee; Chris Witeman; John Fenton; Charles Fredericks; Martin Zabora; Sybil Deborete, Telecommunications Policy Committee; Bill Filonore; James Jenkins; John Dugan; Lazanis Johnson, Steven Hunt; David Pilpel; Greg Richardson; Ray Brown.

ACTION: HEARING HELD. RECOMMENDED. (TO APPEAR ON BOARD CALENDAR FOR FEBRUARY 3, 1997.)

File 32-96-1.8. [Side-Letter Agreement-Television Signal Corporation]
 Resolution approving the Side-Letter Agreements by and between Television
 Signal Corporation and the City and County of San Francisco through their
 respective counsel regarding certain agreements between the parties in
 connection with the transfer of control of Television Signal Corporation from
 Viacom, Inc., to Tele-Communications, Inc. (City Attorney) (COMPANION
 TO THE PRECEDING FILES)

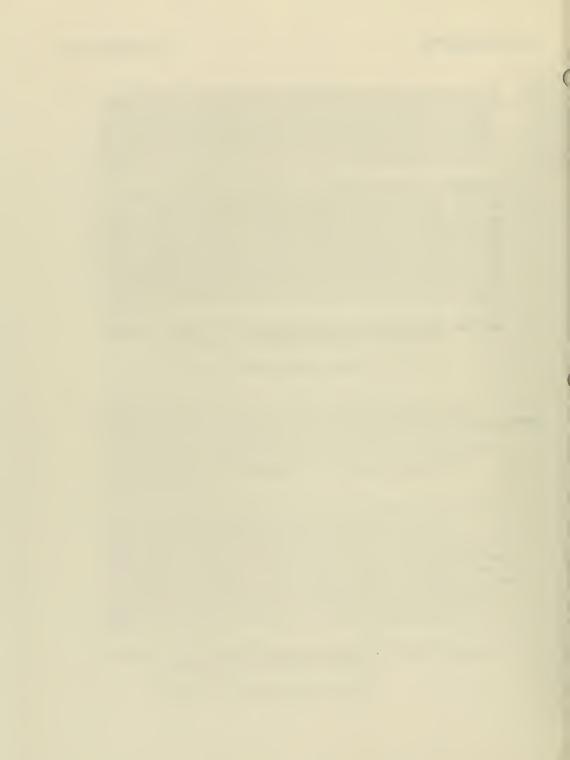
SPEAKERS: ELECTED OFFICIAL: Honorable Louise Renne, City Attorney. DEPARTMENTAL REPRESENTATIVES: Julia Friedlander, Deputy City Attorney; Steve Nelson, Director of Administrative Services, City Administrator's Office. NO POSITION STATED; Lee Peron, representing TCI, Richard Patch, representing TCI. IN SUPPORT: George Espora; Mark Kline; Dee Ann Hendrix. OPPOSES: Mike Freedman, Telecommunications Policy Committee; Zane Blaney, Chair, Telecommunications Policy Committee; Chris Witeman; John Fenton; Charles Fredericks; Martin Zabora; Sybil Deborete, Telecommunications Policy Committee; Bill Filonore; James Jenkins; John Dugan; Lazanis Johnson, Steven Hunt; David Pilpel; Greg Richardson; Ray Brown.

ACTION: HEARING HELD. RECOMENDEDED. (TO APPEAR ON BOARD

CALENDAR FEBRUARY 3, 1997.)

VOTE: 2-1. (Supervisor Brown absent.)

TIME MEETING ADJOURNED: 4:15 P.M.



CITY AND COUNTY



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

January 17, 1997

TO:

Budget Committee

FROM:

Budget Analyst Recommendations for needing DOCUMENTS DEPT.

SUBJECT: January 22, 1997 Budget Committee Meeting

JAN 22 1997

SAN FRANCISCO PUBLIC LIBRARY

Item 1 - File 101-96-30

Department:

Board of Supervisors

Item:

Supplemental appropriation ordinance to join the Urban Counties Caucus membership for Fiscal Year 1996-97.

Amount:

\$10,000

Source of Funds:

General Fund Reserve

Description:

The proposed ordinance would fund membership in the Urban Counties Caucus for the Board of Supervisors for the balance of Fiscal Year 1996-97. The Urban Counties Caucus, based in Sacramento, California, is comprised of urban counties within the California State Association of Counties (CSAC) which have joined together in an organization to represent the interests of urban counties in California. Current members include Alameda County, Los Angeles County, Orange County, Riverside County, Sacramento County, San Bernardino County, San Diego County, Santa Clara County and Ventura County.

The Urban Counties Caucus membership dues for Fiscal Year 1996-97 is \$20,000. However, the Urban Counties Caucus has agreed to allow San Francisco County to join

the Urban Counties Caucus for half of a year, from January 1 through June 30, 1997 for \$10,000. Beginning on July 1, 1997, however, San Francisco would be assessed the full annual amount of dues, or \$20,000.

Comments:

- 1. On July 30, 1996, the Board of Supervisors amended Chapter 16, Article I, Section 16.6-1 of the City's Administrative Code to add the Urban Counties Caucus to the list of organizations in which the Board of Supervisors provides representation for the City and County of San Francisco (Ordinance No. 311-96).
- 2. Although the Urban Counties Caucus has been in existence for several years, San Francisco has not previously been a member of this organization. According to Mr. John Taylor, the Clerk of the Board of Supervisors, the State of California is currently examining alternative ways of distributing funds to counties, especially in light of recent welfare reform legislation, trial court funding needs and overall education concerns. Mr. Taylor reports that it will be particularly important to have San Francisco's interests, along with other urban counties needs, fully represented when such decisions are made by the State.
- 3. According to Mr. Taylor, there are not anticipated to be any additional travel or other costs required, beyond those currently appropriated in the Board of Supervisors budget.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 101-96-31

Departments: Controller

City Attorney

Department of Administrative Services

Item: Supplemental appropriation ordinance of bond proceeds

for other current expenses to provide the Department of Administrative Services, City Attorney and Controller

with bond issuance costs.

Amount: \$300,000

Source of Funds: \$51,415 1992 Fire Facility Improvement Bonds

- Series 1996C

103,219 1994 School Bonds -Series 1996D

106,229 1994 Asian Art Museum Relocation Bonds

- Series 1996E

39,137 1989 Earthquake Safety Bonds

- Series 1996B

\$300,000 Total

Description: The proposed supplemental appropriation would provide

funding for bond issuance costs, including bond counsel costs, rating agency fees, costs incurred by the City Attorney, the Department of Administrative Services and the Controller for general oversight and other directly

related bond issuance costs.

State law allows up to two percent of a bond sale to be used to fund issuance costs. The proposed supplemental appropriation ordinance for \$300,000 would represent approximately .34 percent of the total sale of \$89,230,000 in previously authorized bonds, including \$14,285,000 in 1992 Fire Facility Improvement Bonds, \$42,300,000 in 1994 School Bonds, \$25,000,000 in Asian Art Relocation Bonds and \$7,645,000 in 1989 Earthquake Safety Bonds,

to be used for bond issuance costs.

Budget: The proposed funds would be allocated as follows:

Department	Amount
City Attorney Controller Administrative Services Total	\$155,000 15,000 <u>130,000</u> \$300,000

Comments:

1. According to Ms. Stephanie Downs of the Department of Administrative Services, the proposed supplemental appropriation would provide funding for City personnel costs and other costs related to conducting activities, such as drafting the official bond statement, meeting with rating agencies and various other activities related to the bond issuances. Specifically, the \$130,000 budgeted for Administrative Services would be expended as follows:

Rating Agency Fees \$60,000
Required fees for bond rating agencies such as Standard & Poors, Moody's Investor Services and Fitch Investor Services.

Printing of Preliminary Official Statement
and Official Statement
Expenses related to taking bids and mailing
and distribution expenses for prospective
bond buyers.

15,000

Contingency 3,500 Would be used to pay any additional costs for printing, advertising, etc.

Advertising 5,000 Expenses for placing a notice of intent to sell the bonds in the San Francisco Independent and for advertising in the Bond Buyer periodical.

Reimbursement of Administrative Services Costs
Director of Public Finance (@ \$60 per hour for approximately 160 hours) \$9,600

Debt Manager (@ \$45 per hour for 500 hours) 22,500

Debt Analyst (@ \$30 per hour for 170 hours) 5,100

Assistant (@ \$20 per hour for 160 hours) 3,200

Other Related Office Expenses 6,100

Reimbursement for Administrative Services \$46,500

\$130,000

Total Dept. of Administrative Services

2. Ms. Downs reports that the \$155,000 budgeted for the City Attorney's Office would be expended as follows:

Bond Counsel

Earthquake Safety Bonds:

Lofton, De Lancie & Nelson (MBE)

\$25,000

25,000

Fire Facility Bonds:

O'Melveny & Myers and Pamela Jue (WBE)

School District Bonds:

O'Melveny & Myers and Chew & Chung (MBE) 25,000

Asian Art Museum Relocation Bonds:

Nossaman, Guthner, Knox & Elliott

Pamela Jue (WBE)

60,000

Total Bond Counsel

\$135,000

City Attorney

20,000

Legal services based on an average hourly rate of \$125 per hour for 160 hours.

Total City Attorney Expenses

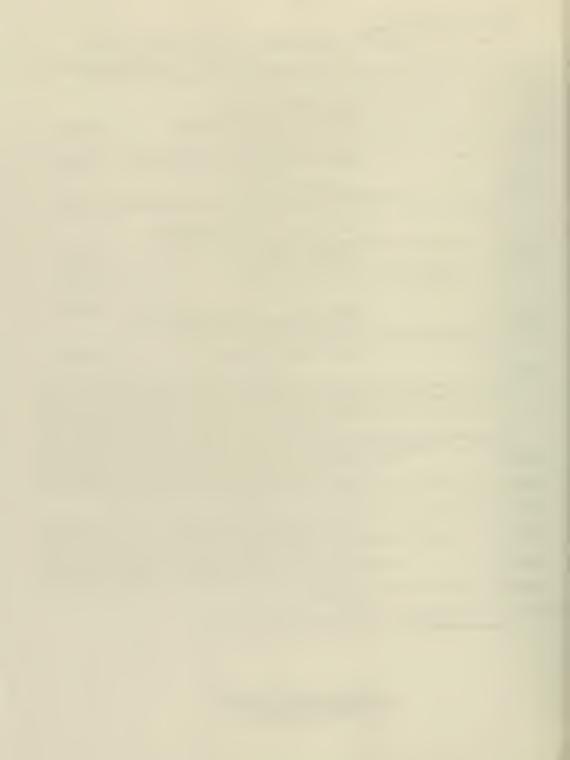
\$155,000

Ms. Liz Whitted-Dawson of the Department of Administrative Services reports that the Bond Counsel fees for the Asian Art Museum are higher because it is the first issuance of the bonds for the Asian Art Museum, and there are significantly more legal requirements and work necessary for the first issuance. According to Ms. Downs, after the first issuance of the bonds, the Bond Counsel fees would be reduced to \$25,000 for subsequent issuances. The Bond Counsels are paid flat fees for the bond sales and are not paid on an hourly basis.

3. According to Ms. Susan Andrus of the Controller's Office, the \$15,000 budgeted for the reimbursement for the Controller's Office is for direct staff time and related fringe benefit costs to prepare the financial disclosure documents for the City. These financial disclosure documents are incorporated into the bond sale official statements.

Recommendation:

Approve the proposed ordinance.



Item 3 - File 101-96-33

Department: Recreation and Park Department (RPD)

Item: Ordinance appropriating \$100,000, Recreation and Park Department, from a General Fund reserve, for an integrated

pest management plan for training, materials and supplies, equipment, and services of other departments for Fiscal Year

1996-97.

Amount: \$100,000

Source of Funds: Integrated Pesticide Management Plan General Fund

Reserve of \$100,000, established by the Board of Supervisors

in the FY 1996-97 budget.

Description: The Board of Supervisors has previously approved, through an amendment to the Administrative Code, a "City Pest"

Management Program."

Chapter 39 of the Administrative Code states that it shall be the policy of San Francisco "to eliminate or reduce the use of pesticide applications by City departments to the maximum extent feasible and to develop and implement Integrated Pest Management Policies in City departments" (Ord. 401-96, File 97-96-52).

Under Chapter 39, 'Integrated Pest Management' is defined as:

...a pest management method that combines biological, cultural, physical, and chemical tools to minimize health, environmental, and financial risks... The method uses the least toxic synthetic pesticide only as a last resort to controlling pests.

Use of Pesticides Prohibited

Chapter 39 of the Administrative Code forbids the use after January 1, 1997 of:

...any Toxicity Category 1 pesticide, any pesticide containing a chemical identified by the State of California as a chemical known to the State to cause cancer, or reproductive toxicity pursuant to the California Safe Drinking Water and Toxic Enforcement Act of 1986, or any pesticide classified as an [actual, possible, or probable] human carcinogen [cancer-causing agent] by the United States Environmental Protection Agency (EPA).

According to Mr. Jim Cooney of the Recreation and Park Department, "toxicity Category 1 pesticides" are the most highly toxic and dangerous pesticides; they are distinguished by labels printed with "Danger" warnings. Non-Category 1 pesticides are pesticides which are less toxic and do not require the "Danger" warning.

In addition to the immediate prohibition of Category 1 pesticides, known and suspected carcinogens, and reproductive hazards, effective January 1, 1997, the Administrative Code also requires City departments to reduce the use of non-Category 1 pesticides by 50 percent of 1996 levels before January 1, 1998, and to eliminate the use of non-Category 1 pesticides entirely no later than January 1, 2000, "except for those pesticides that the Board of Supervisors has reviewed and approved... based on a recommendation from the Commission on the Environment."

The Commission on the Environment, which heads the City's Environment Department, consists of seven members who are appointed by the Mayor for four year terms. The Commission is mandated by the Charter "to produce an assessment of San Francisco's environmental condition..." and to "produce and regularly update plans for the long-term sustainability of San Francisco."

Under Chapter 39 of the Administrative Code, any City department which uses pesticides must comply with the following timelines for the complete elimination of pesticide use:

Type of pesticide
Category 1 pesticides, actual or possible
carcinogens, and reproductive toxins
All other pesticides
50 percent reduction
100 percent reduction (eliminate)
January 1, 1998
January 1, 2000

In order to meet these existing statutory regulations for the elimination of pesticides, the Recreation and Park Department (RPD) is now requesting \$100,000 from the previously established Board of Supervisors reserve, in order to develop an Integrated Pest Management Program.

According to the Recreation and Park Department, the anticipated Integrated Pest Management Plan would enable the RPD to comply with Chapter 39 of the Administrative Code concerning the elimination of pesticides before the

required deadlines. The Integrated Pest Management Plan will rely on non-chemical methods, such as the application of natural predators, life-cycle interruptions, or non-toxic substances, to control pest infestations in the City's parks and public facilities.

Budget:

The following is a summary budget request of the Recreation and Park Department to implement an Integrated Pest Management Plan during the 1996-97 fiscal year:

Dept. of County Agriculture	
work order funds	\$40,000
Materials and supplies	20,000
Equipment	35,000
Training	5,000
Total	\$100,000

Comments:

- 1. Although the Budget Analyst has requested a detailed budget and related explanations for the \$100,000 request from the Recreation and Park Department, complete information requested had not been submitted as of the writing of this report.
- 2. Mr. Ernie Prindle, Assistant General Manager of the Recreation and Park Department, states that the Recreation and Park Department would work order \$40,000 (of the \$100,000 requested) to the County Agriculture Department, to assist the Recreation and Park Department in developing its Integrated Pest Management Plan.
- 3. The Budget Analyst has requested that the Recreation and Park Department provide a detailed written justification for the proposed \$40,000 work order to the County Agriculture Department, including a description of the specific nature of the services to be provided, the class(es) of the employee(s) who will perform the services, and the estimated number of hours for the County Agriculture Department to complete the preparation of the draft Integrated Pest Management Plan. As of the writing of this report, this information had not been provided. Mr. Fred Crowder of the Department of County Agriculture states that the County Agriculture Department has not yet prepared a specific plan for the expenditure of the proposed \$40,000 work order from the Recreation and Park Department.

- 4. As required under Chapter 39, a draft Integrated Pest Management Plan would be submitted by the RPD to the Commission on the Environment for its review, according to Mr. Prindle. The Commission on the Environment may make recommendations to the Recreation and Park Department for changes in the draft plan, pursuant to Administrative Code Section 39.6(d).
- 5. The Recreation and Park Department has submitted detailed budget estimates for its proposed equipment purchases in the amount of \$34,691 (for which \$35,000 is requested), together with an explanation for the largest equipment items requested, and for materials and supplies in the amount of \$19,768 (for which \$20,000 is requested).

The Recreation and Park Department has not provided information concerning how the proposed expenditures totaling \$55,000 including equipment, materials and supplies, and the \$5,000 requested for training, are expected to reduce the City's use of pesticides within the deadlines established in the Administrative Code, and why these proposed expenditures should be made before the required Integrated Pest Management Plan has been prepared by the County Agriculture Department and reviewed by the Commission on the Environment.

The Budget Analyst notes that the purpose of the Integrated Pest Management Plan is to provide guidelines, policies and procedures for implementing an Integrated Pest Management program which will meet the Administrative Code requirements to ban pesticides. If the funds requested for equipment, materials and supplies, and training are appropriated (by approving the proposed ordinance), these expenditures would be made before a draft Integrated Pest Management Plan for the RPD is prepared by the County Agriculture Department and submitted to the Commission on the Environment.

7. Unless further information is provided, the Budget Analyst believes the proposed expenditures for equipment, materials and supplies, and training should be deferred, and the \$60,000 total requested for these items should not be appropriated, pending the completion of the draft Integrated Pest Management Plan by the County Agriculture Department, and the review and approval of the anticipated Integrated Pest Management Plan by the Commission on the Environment.

8. The Budget Analyst believes it would be appropriate to approve the \$40,000 appropriation requested to fund the proposed work order to the County Agriculture Department to prepare a draft Integrated Pest Management Plan, if the budget for this request is submitted by the County Agriculture Department. However, as noted above, Mr. Crowder of the County Agriculture Department states that his department has not yet prepared a budget for the expenditure of the proposed \$40,000 work order funds from the Recreation and Park Department.

7. Mr. Prindle has requested that this item be continued for one week, to permit further review and discussion concerning the requested expenditures for the proposed Integrated Pest Management Program.

Recommendation:

Continue the proposed ordinance to the Finance Committee meeting of January 29, 1997, as requested by the Recreation and Park Department.



<u>Item 4 - File 101-96-34</u>

Department: Mayor's Office - Mayor's Criminal Justice Council (MCJC)

Item: Ordinance appropriating \$60,145 from a General Fund

Reserve for bilingual domestic violence translation services to

contract with the Asian Womens' Shelter.

Amount: \$60,145

Source of Funds: Bilingual Domestic Violence General Fund Reserve - MCJC

of \$60,154 established by the Board of Supervisors in the FY

1996-97 budget.

Description: During the FY 1996-97 Budget process, the Board of

Supervisors established a \$60,145 General Fund Reserve for the MCJC to fund translation services for victims of domestic violence. The proposed ordinance would appropriate \$60.145 to the MCJC for purposes of awarding a contract to the Asian Women's Shelter for the period from February 1, 1997 through January 31, 1998. The Asian Women's Shelter (AWS) is a nonprofit agency located in the Mission District. which provides multi-lingual, multi-cultural shelter programs with a special focus on the needs of Asian battered women and their children. The AWS supplements the language capacity of its staff by recruiting and training bilingual or multi-lingual women in the community to serve as 'language advocates.' The language advocates currently are paid \$15 per hour, according to the Mayor's Criminal Justice Council. The language advocates work with the AWS staff and AWS clients as part of an integrated team,

The proposed funds would be used to contract with the Asian Women's Shelter to: (1) increase recruitment and training of language advocates; (2) collaborate with other domestic violence agencies to develop a City-wide language access program; and (3) develop multi-lingual materials about domestic violence and community resources.

depending on the language needs being requested.

Mr. Keith Choy of the MCJC reports that the AWS language access program is providing or has provided services in the following 21 languages or dialects: Cantonese, Hindi, Indonesian, Japanese, Javanese, Kannada, Khmou, Korean, Lao, Mandarin, Mien, Punjabi, Tamil, Singhala, Spanish, Sudanese, Tagalog, Telugu, Thai, Toisanese, and Vietnamese.

Budget:

A budget submitted by the AWS is shown in the Attachment to this report. As shown in the Attachment, \$30,720 of the proposed \$60,145 appropriation would be used to fund a Multilingual Language Access Coordinator, who would be an employee of the AWS. This would be a new position at the AWS. Mr. Choy states that the MCJC and the AWS wish to fill this position as soon as possible, if the requested \$60,145 is appropriated, in order to begin services under the proposed contract during the month of February, 1997. Mr. Choy advises that the existing AWS language access services have not been centrally coordinated by a single staff person. Mr. Choy states that the MCJC believes that such coordination is needed to successfully expand the services.

Another \$15,000 of the proposed \$60,145 appropriation would be used to fund a subcontract with Ninonmachi Legal Outreach, a non-profit legal services agency which, according to Mr. Choy, assists the AWS in counseling and advising its clients.

The proposed budget would allocate \$5,000 of the proposed \$60,145 appropriation to pay the \$15 per hour wage for the language advocates who provide translation services for the AWS and other domestic violence agencies. This \$5,000 would fund 333 additional hours of language services. Another \$5,135 of the proposed \$60,145 appropriation would be used for in-house training. These funds would be used to familiarize the language advocates with the domestic violence programs of the AWS and other agencies, and would also enable the AWS to familiarize other agencies with its language access services. Finally, the budget includes \$1,290 for photocopying and \$3,000 for indirect costs to the AWS such as bookkeeping and administration.

Comments:

- 1. The Attachment shows the proposed budget submitted by the Mayor's Criminal Justice Council for the Asian Women's Shelter Language Access Model program in the amount of \$60,145. Mr. Choy states that the proposed \$60,145 supplemental appropriation would be used in conjunction with \$63,530 in funds raised by the AWS from State and private sources, for a total budget of \$123,675 for translation services for victims of domestic violence for the period from February 1, 1997 through January 31, 1998.
- 2. Mr. Choy states that the AWS developed the language access program, which provides unique services that are not available from other agencies. Therefore, Mr. Choy reports that the AWS was selected by the Mayor's Criminal Justice

Council on a sole source basis to expand its existing language access program.

3. According to the AWS, the proposed \$60,145 appropriation, if approved, would increase the number of clients served. The AWS served 50 clients and 300 non-English calls in FY 1996-97. During the first year of the expanded language access program, from February 1997 through January 1998, the AWS estimates that the number of clients served will increase to 100 shelter residents and 500 non-English speaking calls. In addition, the language advocates will expand their role in speakers' bureaus and other community outreach activities.

Recommendation: Approve the proposed supplemental appropriation.



Asian Women's Shelter 3543 18th Street, #19 San Francisco, CA 94110

(415) 751-7110 OFFICE (415) 751-0880 CRISIS (415) 751-0806 FAX

Asian Women's Shelter Citywide Expansion of Multilingual Access Model

MCJC Budget February 1, 1997 - January 31, 1998

Salaries

TOTAL	60,145	-
Program Total	29,425	
Indirect Costs calc. at 5% (bookkeeping, admin, audit)	3,000	
Photocopying	1,290	
In-House Training	5,135	
On-Call Language Advocates (\$15/hr x 2,333 hrs/yr in Year 1)	5,000	
Nihonmachi Legal Outreach Subcontract (Increases multilingual staffing at NLO and participation in the Citywide expansion)	15,000	
Program Expenses		
Salaries Total	30,720	
Fringe Benifits (calculated at 17%)	4,421	
Citywide Multilingual Access (MLAM) Program Developer	26,299	

Item 5 - File 101-96-35

Department: Mayor's Office of Community Development (MOCD)

Item: Ordinance appropriating \$187,936, for the Mayor's Office of

Community Development to continue contracts for dispute resolution services in Fiscal Year 1996-97 and providing for

ratification of action previously taken.

Amount: \$187,936

Source of Funds: Court filing fees deposited into the Dispute Resolution

Program Fund

Description: The Dispute Resolution Program was established by the

Board of Supervisors in 1986 (Ordinance No. 494-86) to provide an alternative means for the resolution of certain types of disputes, such as inheritance disputes, landlord/tenant problems, and neighborhood complaints. It is part of a Statewide effort to provide a less costly alternative to litigation through arbitration and mediation. The Program has been funded by a surcharge of \$3.00 on court

filing fees paid to the Trial Courts.

The proposed appropriation of \$187,936 would fund the Program for FY 1996-97 for the following three professional services contracts awarded to nonprofit agencies and for the administrative oversight of the Program by the Mayor's Office:

Professional Services

Community Board Program, Inc. \$52,210 California Community Dispute Services 120,726 California Lawvers for the Arts 10.000 \$182,936 Subtotal

MOCD Administration \$5,000

Total for FY 1996-97 \$187,936

The proposed ordinance also provides for ratification of action previously taken because the contractors have incurred costs while continuing to provide their dispute resolution services

since July 1, 1996.

Comments: 1. According to Mr. Roger Sanders of MOCD, the subject appropriation request has been delayed because the Dispute Resolution Program was transferred to the Mayor's Criminal Justice Council in April of 1996, but was returned to MOCD

in August of 1996.

BOARD OF SUPERVISORS BUDGET ANALYST

- 2. The current balance in the Dispute Resolution Program Fund is approximately \$8,500. Ms. Susan Andrus of the Controller's Office reports that based on FY 1995-96 actual revenues received, the Controller's Office has certified that the Dispute Resolution Program will receive the necessary additional \$179,436 from the \$3.00 surcharge on court filing fees to fund the proposed \$187,936 (\$8,500 plus \$179,436).
- 3. Mr. Sanders reports that each of the three nonprofit agencies has been under contract to provide dispute resolution services for a two-year period which began September 1, 1995 and which extends through August 31, 1997, subject to the availability of City funds. The average cost per case and the estimated number of cases to be handled by each of the three nonprofit agency contractors from July 1, 1996 to June 30, 1997, the period for which this subject request is being made, are as follows:

Nonprofit Agency	Number of Cases	Cost per Case	Total <u>Allocation</u>		
Community Board Program California Community Dispute	586	\$89	\$52,210		
Services	1,371	88	120,726		
California Lawyers for the Arts	200	50	10,000		
Total Allocation to Nonprofi		\$182,936			

Amount of \$182,936 Already Incurred Which Results in a Retroactive Request

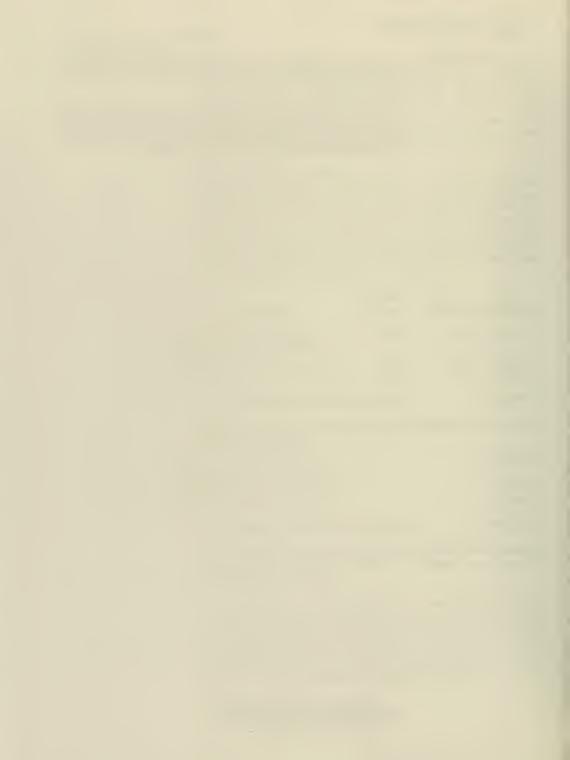
Community Board Program California Community Dispute	\$50,952
Services California Lawyers for the Arts	43,818 <u>4,998</u>
Total Amount of Retroactive Allocation	\$99,768

Because \$99,768 of this request has already been incurred, the proposed ordinance provides for retroactive approval of actions previously taken.

4. In addition to the \$182,936 for the three nonprofit agencies, an amount of \$5,000, for 143 hours at \$35 per hour, is being requested for administrative expenses for MOCD. According to Mr. Sanders, the major administrative activity performed by MOCD is the processing of invoices from the three nonprofit agencies. Including administrative costs, this total request is \$187,936 (\$182,936 plus \$5,000).

BOARD OF SUPERVISORS BUDGET ANALYST

- Recommendations: 1. Approve expenditures in the amount of \$88,168 (request of \$187,936 less retroactive amount of \$99,768) which have not yet been incurred.
 - 2. Approval of the balance of the proposed ordinance in the amount of \$99,768 (request of \$187,936 less \$88,168) for costs already incurred, thereby resulting in a retroactive request, is a policy matter for the Board of Supervisors.



Items 6, 7 and 8 - Files 101-96-28, 101-92-42,2, and 101-90-121.7

Department: Public Utilities Commission (PUC)

Water Department

Item: Ordinance rescinding and transferring \$10,910,000 of various

Water Department capital improvement project funds to new capital projects for Fiscal Year 1996-97 (File 101-96-28).

Hearing to consider release of reserved funds in the amount of \$181,000 for the Fiscal Year 1996-97 Capital Improvement

Program (File 101-92-42.2).

Hearing to consider release of reserved funds in the amount of \$4,500,000 for the Fiscal Year 1996-97 Capital

Improvement Program (File 101-90-121.7).

Amount: \$10,910,000 (File 101-96-28)

\$181,000* (File 101-92-42.2) \$4,500,000* (File 101-90-121.7)

Source of Funds: Water Department Operating Fund

Description: File 101-96-28

The FY 1996-97 Water Department budget for facilities maintenance/capital improvement projects (FM/CIP) is \$69.1 million, including \$39.3 million carried forward from previous fiscal years and \$29.8 million for facilities maintenance projects newly funded in FY 1996-97. The Water Department's FY 1996-97 budget request included an additional \$49.1 million for new capital improvement projects or additions to existing capital improvement projects, which were not approved by the Mayor's Office. Accordingly, the Water Department reviewed and reprioritized its FM/CIP program and, as a result, has identified \$10.9 million in existing appropriations which the Water Department is now requesting be rescinded. The \$10.9 million in rescissions would be used to fund projects which have a higher priority at this time, according to the Water Department.

Attachment I to this report is a listing of the 24 projects from which funding would be partially withdrawn ("From the following appropriations") and the 12 new projects as well as the continuing Supervisory Control and Data Acquisition

^{*} Release of reserved funds included in \$10,910,000 request.

> (SCADA) System Project to which increased funding would be applied ("Credit to the following appropriations"). Attachment II to this report is a description of the 12 new projects and the continuing SCADA System Project, as provided by the Department.

> The total estimated cost of the 12 new projects is \$6,910,000. The SCADA System Project, which currently has funding in the amount of \$70,000 carried forward from prior years, according to Mr. Carlos Jacobo of the PUC, would receive an additional \$4,000,000 in funding, for a total of \$10,910,000, which is now being requested.

Attachment III, prepared by the Water Department, contains a list of the 24 projects to be reduced in funding with an explanation as to why surplus funs are available from each of these projects. Funds for two of these projects, totaling \$4,681,000, are on reserve.

Files 101-92-42.2 and 101-90-127.7

Attachment IV to this report is a memorandum from the General Manager of the Public Utilities Commission to the Board of Supervisors requesting that funding in the amount of \$4,500,000 for the San Andreas Pipeline No. 3 and \$181,000 for the San Andreas Water Treatment Plant Expansion, for a total of \$4,681,000 from these two projects be released from reserve for the purpose of providing funding for the Water Department's reprioritized projects.

Comments:

- 1. Mr. Todd Cockburn, Manager of the PUC's Utilities Engineering Bureau, has stated that the effect of the proposed reprioritization would be to improve the reliability of water treatment and delivery systems by upgrades to facilities and better monitoring and control. Mr. Cockburn has also stated that the SCADA System Project, which is designed to enable the Water Department to exercise centralized monitoring and control of its water distribution system, is required by a State Department of Health Service Order. As noted above, the SCADA System Project currently has funding in the amount of \$70,000 carried forward from prior years.
- 2. According to Mr. Cockburn, of the 24 projects requested for funding reductions, eight projects have been completed, 11 projects are expected to have excess funds available upon completion, four projects are being deferred, without adversely affecting those projects, and one project, the San Andreas Pipeline No. 3, in the amount of \$4,500,000 is being

BOARD OF SUPERVISORS BUDGET ANALYST

> funded from monies recovered from the manufacturer for latent defects.

> 3. The Capital Improvement Advisory Committee (CIAC) recommends approval of the proposed reappropriation of funds.

- Recommendations: 1. Release funding in the amount of \$181,000 (File No. 101-92-42.2).
 - 2. Release funding in the amount of \$4,500,000 (File No. 101-90-121.7).
 - 3. Approve the proposed ordinance in the amount of \$10,910,000 (File No. 101-96-28).

ATTACHMENT 1

From the following appropriations

Department: WTR

Fund Type:5W Fund:AAA

Index Code	Project	Title	_ Amount _
521011	CUW101*	SAN ANDREAS TREATMENT PLANT EXPA	181,000
501031	CUW103*	SAN ANDREAS PIPELINE NO.3	4,500,000
501101	CUW110	CONSTRUCT FENCES	379,502
501131	CUW113	ALAMEDA CREEK DIVER. DAM RD.	433,683
501151	CUW115	REPLACE CUSTOMER METERS	221,037
501241	CUW124	BDPL #1&2 EXP. JOINT REHAB.	138,360
501421		DISMANTLE SUNOL TURNOUT	194,906
501441	CUW144	RELOCATE CHEM, STORAGE TANKS	58,371
501471		REPLACE FLANGED CONNECT.	202,169
501591	CUW159	WATERSHED COTTAGE MAINT.	332,909
506051		CDD MACH. SHOP UPGRADE	40,561
506091		CLEAN & COAT TRANS, MAINS	56,980
506101	CUW610	36" SUNSET/NOE VALLEY MAIN	46,584
506201	CUW620	CITY MICROWAVE COMM, SYSTEM	107,953
506241	CUW624	RESERVOIR ROOFS SEISMIC UPGRADE	177,805
506271	CUW627	UPGRADE SODIUM HYPOCHLORITE -CIT	23,260
506281	CUW628	IN-CITY RESERVOIR CLEANING	96,402
506291	CUW629	NORTH UM EMERGENCY SUPPLY	300,000
506311	CUW631	INTERDEPT, EMERGENCY	55,954
507931	CUW793	89 EARTHQUAKE	778,378
508301	CUW830	NEW SERVICES	1,382,139
505621	FUW562	DEMOLISH SUNOL AQUEDUCT	79,880
505021	PUW502	RESOURCES PLAN	787,167
505051	PUW505	RIGHT OF WAY PLANNING	335,000
			10,910,000

Credit to the following appropriations:

Department: WTR

Fund Type:5W Fund:AAA

Index Code	Project	Title	Amount
501271		INST SCADA SYSTEM	4,000,000
501781	CUW178	MOD. PIPING & VALVING, SAN ANTONIO	570,000
501801	CUW180	BDPL #1 & #2 SEISMIC ANALYSIS	65,000
501811	CUW181	STANDBY POWER FACILITIES	600,000
501861	CUW186	SVWTP IMPROVEMENT PROJECT	3,155,000
501901	CUW190	SHARP PARK GOLF COURSE RECLAMATI	100,000
501911	CUW191	FIRE & SECURITY UPGRADES	985,000
506371	CUW637	REPLACE & BALLAST PIPE	30,000
506381	CUW638	MODIFICATIONS TO LAKE MERCED PUMP	465,000
506391		REHAB. HYDROPNEUMATIC PUMP	100,000
506401		LAKE MERCED PUMP STATION DIESEL T	30,000
506411		VEHICLE SERVICE	410,000
506421	CUW642	METER REPLACEMENT PROGRAM	400,000
			10,910,000

^{*} Funds currently on Reserve

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Attachment II
Page 1 of 2

PROJECTS REQUIRING SUPPLEMENTAL APPROPRIATIONS

- 1. SCADA System: \$4,000,000: This is for the construction of the first phase of a Supervisory Control and Data Acquisition Systems for the SFWD. This project is to be built under State Health Order and will enhance control and water quality reliability when fully implemented by providing centralize information and control.
- 2. Modify Piping and Valuing at San Antonio Pumping Station: \$570,000 Funds for modification of the piping and valving to allow repairs to any pump while keeping the pumping station on line. Currently all six pumps must be shut down to work on any one pump.
- 3. Bay Division Pipeline No.'s 1&2 Seismic Analysis: \$65,000 Funds for initial evaluation of the BDPL No's 1&2 for seismic upgrade and repair to minimize damage from earthquake. Loss of these two lines would seriously impact the SFWD's ability to deliver water in the South Bay.
- 4. Standby Power Facilities: \$600,000 Funds to provide standby emergency power at the Harry Tracy Water Filtration Plant. Power at this facility is unreliable and outages can coincide with loss of high quality Hetch Hetchy water. Extended outages would result in loss of potable water to San Francisco and the Peninsula.
- 5. Sunol Valley Water Treatment Plant Improvement Project: \$3,155,000 Funds for the design and first phase improvements to the SVWTP to begin to allow capacity increases during heavy solids loading events and to increase the plant's reliability.
- 6. Sharp Park Golf Course Reclamation Project: \$100,000 Funds for the design and coordination of a recycled water supply pipeline from Pacifica's Water Reclamation Plant to the golf course. This could save up to 200,000 gallons of potable water a day and replace a failing delivery system.
- 7. Fire and Security Upgrades at Treatment Facilities: \$985,000 Funds for the construction of fire and security alarms at Tesla Portal, San Antonio P.S., Sunol Valley Water Treatment Plant, and Harry Tracy Water Treatment Plant. Existing systems are inadequate and need to be replaced.
- 8: Replace and Ballast Pipe at I-280: \$30,000 Funds for initial design for anchorage and ballasting of the University Mound feeder mains as they cross under I-280. This will minimize damage from a severe earthquake.

Post-It' Fax Note	7671	Date	1/7/97	# ol pagas	4
TO STAN JONES		From			
CosDopl. Budget am	Inc. f	Co.			

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MUNI CAPITAL PROJECT

Attachment II 2002
Page 2 of 2

- Modifications to Lake Merced Pumping Station: \$465,000 Funds for improvements
 to the Lake Merced Pumping Station to increase reliability and emergency operation,
 improvements. Modernization of critical equipment will be the focus of this
 improvement.
- 10. Rehabilitation of Hydropneumatic Pumping Stations: \$100,000 There are 8 hydropneumatic pumping stations at the higher elevations in the City. This project would replace aging equipment for reliability and standardization.
- 11. Lake Merced Pump Station Diesel Containment \$30,000 Spill containment for diesel storage tanks at the Lake Merced PS to keep spills from reaching the Lake or sceping into the ground.
- 12. Vehicle Service Facility: \$410,000 Funds for construction of vehicle spray booth, fluids dispersement and monitoring systems, and air breathing systems and cabinets. This will bring facility into compliance with existing hazardous wastes rules.
- 13. Meter Replacement Program \$400,000. Funds for the change-out of under reporting larger meters to assure fair and equitable changes for water consumption and maintain revenues.

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BLIGATION	181,000 Project completed; excess funds	4,500,000 Funds recovered from manufacturer for latent defect	379,502 Excess funds in project	433,683 Excess funds in project	221,037 Excess funds in project	138,360 Excess funds in project	194,908 Rescheduled project after reevaluation	58,371 Project completed, excess funds	202,169 Project closed; excess funds	332,909 Reschedule project	40,561 Project completed	56,980 Project completed	46,584 Project completed	107,953 Project completed; deobligate excess funds	177,805 Duplicate project; deobligate excess funds	23,260 Excess funds in project	96,402 Excess funds in project	300,000 Project rescheduled to subsequent year	55,954 Excess funds in project	778,378 Project completed	1,382,139 Excess funds for projected needs	79,880 Excess funds in project	787,167 Excess funds in project	335,000 Excess funds in project	10.910.000
PROJECTS SUBJECT TO DEBOBLIGATION	521011 CUW101 SAN ANDREAS TREATMENT PLANT EXPAN. 18															CUW627 UPGRADE SODIUM HYPOCHLORITE -CITY 2									10.91
	521011 CUW101" SAN ANDRE	501031 CUW103 SAN ANDREAS PIPELINE NO.3	501101 CUW110 CONSTRUCT FENCES	501131 CUW113 ALAMEDA CREEK DIVER, DAM RD.	501151 CUW115 REPLACE CUSTOMER METERS	501241 CUW124 BDPL #182 EXP. JOINT REHAB	501421 CUW142 DISMANTLE SUNOL TURNOUT	501441 CUW144 RELOCATE CHEM. STORAGE TANKS	501471 CUW147 REPLACE FLANGED CONNECT	501591 CUW159 WATERSHED COTTAGE MAINT	506051 CUW605 CDD MACH. SHOP UPGRADE	506091 CUW609 CLEAN & COAT TRANS. MAINS	506101 CUW610 36" SUNSETINOE VALLEY MAIN	508201 CUW620 CITY MICROWAVE COMM. SYSTEM	505241 CUW524 RESERVOIR ROOFS SEISMIC UPGRADE	506271 CUW627 UPGRADE 8	506281 CUW628 IN-CITY RESERVOIR CLEANING	506291 CUW629 NORTH UM EMERGENCY SUPPLY	506311 CUW631 INTERDEPT. EMERGENCY	507931 CUW793 89 EARTHQUAKE	508301 CUWB30 NEW SERVICES	505621 FUW562 DEMOLISH SUNOL AQUEDUCT	505021 PUW502 RESOURCES PLAN	505051 PUW505 RIGHT OF WAY PLANNING	
	521011	501031	501101	501131	501151	501241	501421	501441	501471	501591	506051	506091	506101	508201	506241	506271	506281	506291	506311	507931	508301	505621	505021		505051



PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. DROWN, JR. MAYOR ANSON B. MORAN GENERAL MANAGER HETCH HETCHY
WATER AND POWER

EAN FRANCISCO
WATER DEPARTMENT

EAN FRANCISCO
CLEAN WATER PROGRAM

January 6, 1997

John L. Taylor Clerk of the Board Board of Supervisors 401 Van Ness Ave. 3rd Floor San Francisco, Ca. 94102

Subject: Release of Water Department Reserved Funds

Dear Mr. Taylor,

I am requesting your assistance in scheduling the release of Water Department reserved funds in conjunction with File 101-96-28, scheduled for the Budget Committee on January 15, 1997.

The Water Department currently has \$4,681,000 of bond funds on reserve. \$4,500,000 from the 1991 Water Revenue Bonds were put on reserve by the Board of Supervisors on June 24, 1991, File 101-90-121. The balance of \$181,000 from the 1985 Water Revenue Bonds was put on reserve by the Board of Supervisors on February 1, 1995, File 101-92-42.1.

These funds are needed to supplement the funding of the Water Department's 1996-97 Capital Improvement Program.

If you have any questions, please contact Carlos Jacobo at PUC Finance at 923-2123.

Thank you for your assistance in this matter.

Sincerely,

Anson B. Moran, General Manager Public Utilities Commission

H. Rose

S. Jones

S. Carmichael

Memo to Budget Committee January 22, 1997 Meeting of Budget Committee

Item 9 - File 161-96-4,2

Department: San Francisco Redevelopment Agency (SFRA)

Item: Hearing to consider release of reserved funds for consultant and support services for the Mid-Market Survey Area project.

Source of Funds: 1996 Tax Increment Bond Funds

Amount: \$150,000

Description:

In October of 1996, the Board of Supervisors approved an amendment to the SFRA FY 1996-97 budget, to use \$476,205 in 1996 Tax Increment Bond Funds for preparation of an Environmental Impact Report (EIR) and a Concept Plan for the Mid-Market Redevelopment Survey Area (File 161-96-4.1). At that time, the Redevelopment Commission had not yet selected a consultant to prepare the Concept Plan, so the \$150,000 requested for preparation of a Concept Plan was placed on reserve. (A Concept Plan involves a range of technical services including community planning, urban design, real estate analysis and public facilitation, to assist in preparing a Redevelopment Plan for the area's future and in

assessing its feasibility as a Redevelopment Project Area.)

Ms. Gail Goldman of the SFRA states that the SFRA selected the firm of Cervantes Design Associates, a WBE/MBE firm, following issuance of a Request for Qualifications (RFQ). Ms. Goldman advises that ten firms responded to the RFQ. The following six firms were selected for interviews: Cervantes Design Associates (MBE/WBE), Sedway Kotin Mouchly Group (WBE), Roma Design, Blaney Dyett, EDAW and Group 4 (MBE).

Ms. Goldman states that the Redevelopment Commission approved a \$215,000 contract with Cervantes Design Associates on November 26, 1996. Ms. Goldman advises that a total of 35.5 percent (\$76,325) of the contract will be allocated to MBE and/or WBE firms, including 35 percent for Cervantes Design Associates and 0.5 percent for Baca Thier (MBE). The balance of \$138,675 would be allocated among six subcontractors, none of which is an MBE or WBE firm.

Ms. Goldman advises that the SFRA has identified \$65,000 in savings for the Mid-Market Survey Area EIR contract with the Ogden Environmental & Energy Service Company, that will be used to make up the difference between the \$215,000 Cervantes Design Associates contract and the \$150,000 that is requested in this subject release of reserve.

BOARD OF SUPERVISORS BUDGET ANALYST Memo to Budget Committee January 22, 1997 Meeting of Budget Committee

Recommendation: Approve the proposed release of reserved funds.

ltem 10 - File 28-96- 12

Department:

Port.

Item:

Resolution approving a declaration of emergency for contractual services to assess damages from the Cape

Mohicon oil spill incident at Pier 70.

Amount:

\$35,000

Source of Funds:

Port Operating Fund

Description:

According to Ms. Roberta Jones, Environmental, Health and Safety Manager with the Port, on October 28, 1996, a ship. which was docked at Pier 70, released approximately 80,000 gallons of a mixture of heavy bunker oil and diesel oil into the drydock and an undetermined amount of oil flowed off the drydock into the San Francisco Bay.

Due to the potential adverse impacts to the ecology and to its facilities, the Port declared an emergency on November 5. 1996, and authorized an expenditure of \$35,000 to fund the assessment.

According to Ms. Jones, the Port needed to document the impact of the oil spill on its facilities and ecologically sensitive areas in order to 1) provide information for potential claim purposes, and 2) to determine whether dredge disposal procedures would require modification. Immediate action was required from an outside consultant to respond to this emergency.

In accordance with Section 6.30 of the Administrative Code, the Port initiated expedited contract procedures on November 5, 1996. A contract was awarded to Levine Fricke/Recon to perform the assessment (see Attachment).

Comments:

- 1. According to Ms. Jones, Levine Fricke/Recon commenced the assessment services on November 11, 1996, and the work is expected to be completed by January 24, 1997.
- 2. Mr. Jones advises that Levine Fricke/Recon has performed a total of 275 hours of work on the oil spill assessment, through January 16, 1997, at an average hourly rate of \$119.45, for a total labor cost of \$32,849. Additional nonlabor costs of \$7,600 have also been incurred as of January 16, 1997, for a total of cost \$40,449, as of that date. The Port advises that total estimated costs at job completion will be \$42,000.

- 3. Ms. Levine advises that the \$7,000 (\$42,000 less \$35,000) in costs in excess of the \$35,000 amount, as authorized in this proposed legislation, is available in the Port's operating budget.
- 4. The Attachment to this report is a memorandum from Ms. Jones documenting the procedure used by the Port to contract with Levine Fricke/Recon.

- Recommendations: 1. Amend the proposed resolution to authorize an expenditure of \$42,000 instead of \$35,000.
 - 2. Approve the proposed resolution as amended.

Port of San Francisco MEMORANDUM

DATE:

January 17, 1997

TO:

Stan Jones

Budget Analyst's Office

FROM:

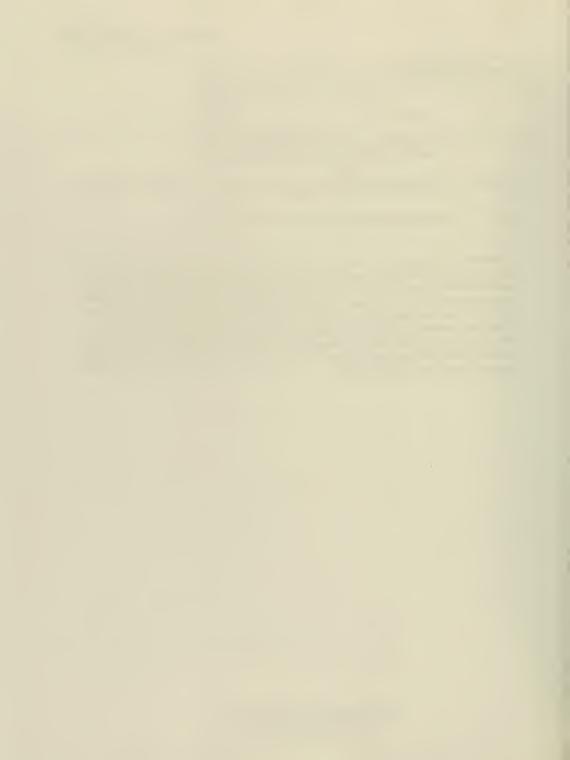
Roberta Jones

Port

RE:

Levine-Fricke Contract

Pursuant to your request, I am writing to confirm that I contacted all available MBE/WBE firms that appeared that they might have expertise in oil spill damage assessment before I called any non-MBE/WBE firms, but I determined, after making these calls, that none of the listed firms actually had this type of experience. I then began to contact non-MBE/WBE firms that I knew had experience in oil spill damage assessment. The first firm I contacted, Entrix in Walnut Creek, was unable to perform the work because of a conflict of interest (San Francisco Drydock, the responsible party, had already retained them). I contacted Levine-Fricke as a second choice. Levine-Fricke is also very qualified to do this work and had experience working on documenting damage in the Exxon Valdez Oil Spill.



Memo to Budget Committee January 22, 1997

Item 11 - File 28-96-13

Department: Port Commission

Item: Resolution approving a declaration of emergency for

contractual services to demolish portions of Sheds A and B at Pier 48 which were damaged in a fire, and to conduct damage

assessment and design repair.

Amount: \$750,000 (See Comment No. 5)

Source of Funds: Fire Insurance Proceeds from Maxson Young Associates, the

Port's Insurance Agent

Description: On November 26, 1996, a fire at the east end of Pier 48

destroyed the interconnecting wood frame structure and caused substantial structural damage to the steel frames, walls, and roof of Sheds A and B on the pier. The fire caused significant deformation of steel trusses and caused pre-cast concrete wall panels that make up the exterior walls of the sheds to move from their original position. An inspection conducted by the Port and the Fire Department revealed that the damaged portion of the sheds were in eminent danger of

collapse.

Based on the inspection findings, the Port declared an emergency on December 4, 1996, and recommended that the sheds be demolished immediately in order to protect the life and safety of Port tenants, the general public, and Port employees.

In accordance with Section 6.30 of the Administrative Code, the Port initiated expedited contract procedures in December, 1996. According to Mr. Cliff Jarrard, Chief Harbor Engineer, bids were solicited separately for demolition and engineering services.

The contract for demolition services was awarded to Ferma Corporation, as the lowest bidder, based on a bid amount of \$53,400. The demolition services commenced on December 30, 1996, and are anticipated to be completed by no later than January 27, 1997.

The contract for engineering services was awarded to GKO & Associates in a not to exceed amount of \$265,000. GKO & Associates began performing the necessary assessment and design work on December 20, 1996 and is scheduled to complete work on or about February 1, 1997. An estimate of the construction costs to replace the demolished sheds, which

is not a part of this emergency declaration, has not yet been made.

Comments:

1. According to Mr. Jarrard, three MBE or WBE firms were initially solicited by the Port to submit bids for the demolition work. Mr. Jarrard advises that only one contractor, Oliver Construction Company, responded to the Port's Invitation For Bids. Oliver Construction Company's bid to provide demolition services was \$340,000 to \$460,000. Mr. Jarrard reports that after a review by the Port's insurance agent, Maxson Young Associates, the bid was rejected because Maxson Young Associates determined that it was too high.

Mr. Jarrard reports that a second round of Invitation For Bids was conducted by the Port on December 23, 1996 with the following result¹:

Contractor	Amount Bid
Ferma Corporation	\$53,400.00
Krueger Brothers Builder, Inc.	187,004.96
Cleveland Wrecking Co.	215,700.00

These firms are neither MBE or WBE firms.

2. Mr. Jarrard reports that GKO & Associates was the only firm to respond to the Port Commission's solicitation of bids for engineering services. GKO & Associates is an MBE firm. Mr. Jarrard reports that the names of the other firms which were contacted concerning the engineering work are as follows:

Structus OLMM Structured Design Biggs Cardosa

3. The Port's contract with GKO & Associates is on a not to exceed basis of \$265,000. GKO's hourly engineering rates range from \$55 per hour for a Junior Engineer to \$115 per hour for a Principal Engineer. GKO will be expending an estimated 3,117 hours to complete the work, or an average hourly rate of \$85, according to Mr. Jarrard.

¹ According to Mr. Jarrard, the large difference between Ferma Corporation's low bid of \$53,400 and the other bids of up to \$215,700 is because Ferma Corporation has specialized equipment appropriate to the necessary work, such as recycling capabilities, which the other firms did not have.

4. According to the Port, Maxson Young Associates provided an advance from fire insurance proceeds of \$750,000 to the Port on December 28, 1996. Although the \$750,000 will more than cover the cost of the demolition services of \$53,400 and the cost of engineering services of \$265,000, or a total cost of \$318,400, Mr. Ben Kutnick, Director of Administration for the Port, states that the advance amount of \$750,000 will not be sufficient to cover the pending construction work. Mr. Kutnick reports that after the Port receives bids for construction services, Port officials will meet with Maxson Young Associates to agree on a total cost before construction begins. According to Mr. Kutnick, after an agreement is reached with Maxson Young Associates, Maxson Young Associates will again advance the Port the funding for construction services from the fire insurance proceeds which are due to the Port.

Mr. Kutnick reports that the Port's fire insurance policy covers replacement costs and code upgrades of up to \$50 million, with a \$100,000 deductible.

5. This declaration of emergency request would authorize the Port to expend a total of \$750,000 on demolition and engineering services. However, as previously noted, the total cost of such services is not to exceed \$318,400. Therefore, the requested amount should be reduced by \$431,600, or from \$750,000 to \$318,400.

- Recommendations: 1. Amend the proposed resolution to authorize an expenditure of \$318,400 instead of \$750,000.
 - 2. Approve the proposed resolution as amended.



Memo to Budget Committee January 22, 1997

Item 12 - File 28-96-14

Department: Port Commission

Item: Resolution approving a declaration of emergency for engineering services to assess the damage of a failed section

of Pier 43 1/2, which is used by the Franciscan Restaurant as

a parking lot.

Amount: \$12,955

Source of Funds: Port Operating Fund

Description: Recently, a section of the wood-framed Pier 43 1/2 settled substantially. The area was immediately barricaded and an inspection of the area was conducted by the Port. The

inspection revealed that the piles supporting this area of the pier had severe dry-rot and had failed, resulting in the large

downward movement.

Mr. Jarrard, the Port's Chief Harbor Engineer, reports that in addition to posing a significant life safety hazard, Pier 43 1/2 could sustain additional damage if the area was not immediately repaired. The Port Commission declared an emergency on November 5, 1996. In accordance with Section 6.30 of the Administrative Code, the Port initiated expedited contract procedures and a contract to prepare design contract documents for the necessary structural repairs was awarded to GKO & Associates, a certified San Francisco MBE engineering firm, on a sole source basis. According to Mr. Jarrard, GKO & Associates was selected because the firm was then performing related technical work on Pier 43 1/2.

According to Mr. Jarrard, design services commenced on November 5, 1996, and were completed on November 15, 1996. The total cost of GKO & Associates assessment services was \$13,000, for approximately 167 hours at an average hourly rate of about \$78.

Comments:

- 1. According to Mr. Jarrard, due to a lease agreement, the structural repairs of the damaged area of Pier 43 1/2, which are estimated to cost \$266,630, are the responsibility of the Franciscan Restaurant, which uses the area as a parking lot.
- 2. Mr. Jarrard advises that the Port is currently conducting privileged negotiations with the Franciscan Restaurant concerning the structural repair work and other issues involving Pier 43 1/2, and that an anticipated commencement date for the structural repair work has not been determined.

Memo to Budget Committee January 22, 1997

Recommendation: Approve the proposed resolution.

Memo to Budget Committee January 22, 1997 Meeting of Budget Committee

Item 13 - File 97-96-65

Department: Commission on Aging

Item: Ordinance amending Section 16.6-59 of the Administrative

Code to add three organizations to the membership list of the

Commission on Aging.

Amount: \$410

Source of Funds: Previously Appropriated Parking Taxes

Description: The proposed ordinance would amend Section 16.6-59 of the

Administrative Code to add the following three organizations to the Commission on Aging's membership list, at the annual costs indicated: the American Society on Aging (\$250 per year); the California Alliance of Information and Referral Services (60 per year); and the National Association of

Nutrition and Aging Services Programs (\$100 per year).

Comments: 1. Mr. Lawrence Ross of the Commission on Aging states that

the American Society on Aging is the main national aging network information source. Mr. Ross states that membership in this organization will provide the Commission on Aging with newsletters, information bulletins and legislative alerts on matters related to policy on the aging.

2. The California Alliance of Information and Referral Services sets the standards for provision of information and referral services, including defining procedures for collection and dissemination of information and referral services, according to Mr. Ross. Mr. Ross states that provision of information and referral services is one of the primary responsibilities of the Commission on Aging.

- 3. Mr. Ross advises that the National Association of Nutrition and Aging Services Programs is a national information network on issues of nutrition that effect the aging. Mr. Ross states that, because the Commission on Aging contracts with nonprofit agencies to provide approximately 1,500,000 meals per year, membership in this organization is warranted. Mr. Ross further advises that this membership would enable the Commission on Aging to provide information to its contractors and to the general public related to nutrition for the aging.
- 4. Mr. Ross states that the Commission on Aging has sufficient Parking Tax funds in its FY 1996-97 budget to join the American Society on Aging, if the subject proposed

Memo to Budget Committee January 22, 1997 Meeting of Budget Committee

ordinance is approved. Mr. Ross advises that the Commission on Aging may not renew certain as yet unidentified existing memberships in FY 1997-98, so that funds would be available for membership in all three organizations proposed for addition to the membership list of the Commission on Aging in FY 1997-98. However, Mr. Ross states that the Commission on Aging does not intend to increase overall spending on memberships.

Recommendation: Approve the proposed ordinance.

Memo to Budget Committee January 22, 1997

Item 14 - File 121-96-14

Department:

Police Department

Item:

Ordinance modifying the Police Code by amending the definitional section thereof relating to taxicabs, and adding Sections 1148 and 1148.5 which provide for the issuance of permits and the operation and regulation of specialized motor vehicles for hire.

Description:

The proposed ordinance would amend section 1076 of the Police Code to include a definition of "ramped taxicabs." These specialized vehicles for hire, equipped with taximeters, are defined as minivans or similar vehicles specially adapted with ramps to provide access for persons using wheelchairs. Drivers of ramped taxicabs are to grant priority to requests for service from persons using wheelchairs. However, in the absence of such requests for service from persons using wheelchairs, ramped taxicabs may transport any person requesting service.

The proposed ordinance also provides for the issuance of permits and the operation and regulation of ramped taxicabs by adding Sections 1148 through 1148.5.

A new **Section 1148** of the Police Code would grant responsibility for issuing ramped taxicab permits to the Police Commission. Except where provided in the proposed ordinance, such permits shall be applied for and issued pursuant to the City's current regulations (found in Sections 1079 through 1081).

Section 1148.1 describes the submission process for new permit applications and applications of full-time drivers already on the waiting list for regular taxicabs who wish to apply for a ramped taxicab permit.

Section 1148.2 pertains to eligibility requirements for obtaining a ramped taxicab permit. These requirements are in addition to those taxicab permit criteria set forth in Section 1081, which includes a review of the permittee's¹ financial responsibility, rules compliance, and which reemphasizes requirements found in the City's charter. In particular, before issuing a permit for a ramped taxicab, this

¹ The "permittee" is any person, business, firm, partnership, association, or corporation which holds a permit or license issued by or under the authority of the City and County of San Francisco to operate or drive any motor vehicle for hire.

new section provides that the Police Commission must determine that the prospective permit holder 1) will be a full-time driver; 2) understands the conditions and limitations governing the operation of the ramped taxicab; 3) has completed a course of instruction for the safe, effective, and efficient operation of ramped taxicabs, and has satisfactorily demonstrated the aptitude and attitude necessary for a holder of a permit for a ramped taxicab; 4) will operate in compliance with Section 1125, which requires each taxicab to have distinguishing color schemes and an association with a holder of a taxicab color scheme permit² that is under contract to and approved for the operation of ramped taxicabs by the City's Paratransit Broker, who is presently Cerenio Management Group, who operates the City's Paratransit Program for the San Francisco Public Transportation Commission; 5) holds a valid driver's permit issued in accordance with Section 1089, which specifies that taxicab drivers must be at least 21 years of age, have a California driver's license, must read and write English, and must take a driving class and pass a driver's test; and 6) agrees to operate the ramped taxical permit in accordance with the rules and regulations of the City's Paratransit Program.

In addition to these considerations, **Section 1148.3** states that the Police Commission will take into account the availability of sufficient numbers of ramped taxicabs to meet safety and operating requirements imposed on permittees.

Section 1148.4 provides that both the ramped taxicab permittee and all drivers of ramped taxicabs shall at all times satisfy the eligibility criteria set forth in this proposed ordinance, as well as the previously listed provisions of Section 1089.

Section 1148.5 provides that ramped taxicabs shall grant priority to service requests from wheelchair users, and that the Chief of Police, in consultation with the Paratransit Program, may issue appropriate rules and regulations to ensure compliance with this section.

Comments:

1. Officer Farrell Suslow of the SFPD states that exactly how priority will be granted to persons using wheelchairs who

 $^{^2}$ According to Officer Suslow, the requirements of Section 1125 serve two purposes. First, color schemes allow the SFPD to quickly distinguish taxicabs from other vehicles, and second, the regulations requiring a taxicab driver to have an association with a holder of a taxicab color scheme prevent different permittees from having similarly colored taxicabs.

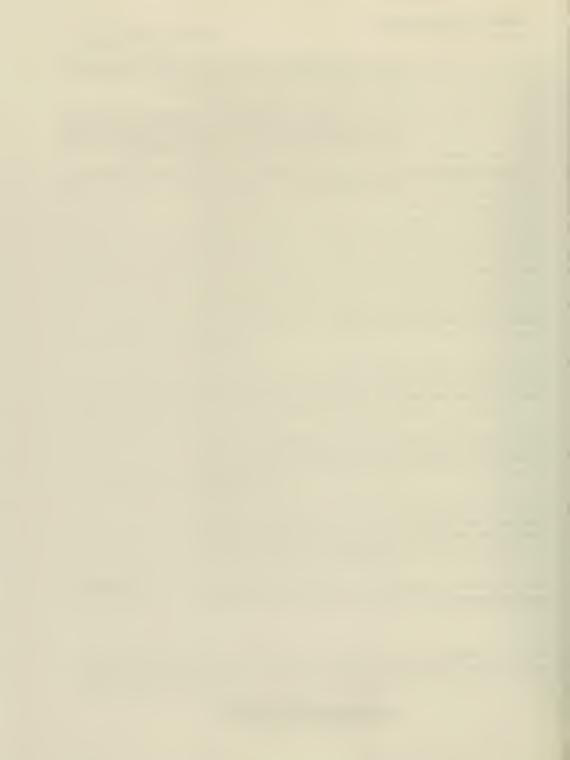
Memo to Budget Committee January 22, 1997

> have requested ramped taxicab service will be determined in rules and regulations to be developed by the Chief of Police in consultation with the Paratransit Program.

> 2. This proposed ordinance is a companion item to the proposed ordinance establishing permit filing fees and permit license fees for ramped taxicab permittees (see Item 15, File 121-96-13) of this report to the Budget Committee.

Recommendation:

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.



Memo to Budget Committee January 22, 1997 Meeting of Budget Committee

Item 15 - File 121-96-13

Note: This item was continued by the Budget Committee at its meeting of

January 15, 1997.

Department:

Police Department

Item:

Ordinance amending Sections 2.26 and 2.27 of the Police Code, relating to permit filing fees and permit license fees for tow car firms and ramped taxicabs.

Description:

The proposed ordinance would establish permit filing fees and permit license fees to be charged to tow car firms and ramped taxicab permittees (minivan taxicabs adapted for wheelchair users). An ordinance amending the Police Code, providing regulations for the operation of tow car companies (File 121-96-12), was approved by the Board of Supervisors on January 13, 1997. That ordinance states that fees will be charged to cover the costs of processing permit applications (permit filing fees) and administering the tow car company regulations (permit license fees). A separate proposed ordinance (Item 14, File 121-96-14) would amend the Police Code, providing regulations for issuing permits for ramped taxicabs.

Tow Car Firms: The proposed ordinance would establish a \$346 non-refundable filing fee for submitting an application for a tow car company permit. Applicants who are awarded tow car company permits would pay an annual permit license fee of \$346 for the first tow truck, plus \$138 for each additional tow truck.

Ramped Taxicabs: The proposed ordinance would establish a \$277 non-refundable filing fee for submitting an application for a ramped taxicab permit. Applicants who are awarded ramped taxicab permits would pay an annual permit license fee of \$138. The proposed ramped taxicab permit license fee of \$138 is equivalent to the permit license fee currently paid by taxicab operators who agree to participate throughout the permit year in the Paratransit Program.

Comments:

1. Officer Farrell Suslow of the SFPD states that all costs of processing and enforcing the tow car company ordinance and the proposed ramped taxicab ordinance are expected to be covered by the proposed filing fees and permit license fees. Officer Suslow states that, because the SFPD has not administered the subject permits for tow car companies and ramped taxicabs in the past, the SFPD has had to estimate the cost of processing permit applications and administering

Memo to Budget Committee January 22, 1997 Meeting of Budget Committee

the license regulations in order to set the subject fees. The SFPD made such estimates for tow car companies based on the assumption that the costs of regulation of tow car companies will be similar to the costs of regulation of taxicab companies, with some additional monitoring requirements. The SFPD assumes that the costs of regulating ramped taxicabs will be similar to the costs of regulating taxicabs involved in the Paratransit Program. Officer Suslow further advises that the SFPD will review the actual costs after the first year of administering the subject tow car company and ramped taxicab licenses, and request an adjustment to the filing fees and permit license fees at that time, if necessary, to fully cover all such costs.

- 2. As noted in Comment No. 1 above, the SFPD has established permit filing and license fees to cover projected costs using comparative information on similar regulatory programs. The Budget Analyst concurs with the SFPD's stated plan to monitor actual costs related to regulation of tow car companies and ramped taxicabs during the first year of implementation of the subject permit filing and license fees, so that such fees can be modified if actual costs exceed fee revenues.
- 3. The proposed ordinance includes permit filing and license fees for ramped taxicabs, which are directly related to the proposed ordinance establishing regulations for ramped taxicabs (see Item 14, File 121-96-14 of this report to the Budget Committee). Therefore, the provisions of this subject proposed ordinance related to the permit filing and license fees for ramped taxicabs should only be approved if the companion measure (Item 14, File 121-96-14), which would establish the regulations for ramped taxicabs, is also approved.

Recommendation:

Approve the proposed ordinance if the companion ordinance, establishing regulations for ramped taxicabs (Item 14, File 121-96-14) is also approved.

Item 16 - File 60-97-1

Department:

Department of Elections

Item:

Calling and providing for a Special Election to be held in the City and County of San Francisco on Tuesday, June 3, 1997, provided that one or more measures is timely submitted to the voters of the City and County of San Francisco to be voted on at that election.

Description:

The proposed ordinance would call for a Special Election in San Francisco on June 3, 1997.

Comments:

- 1. According to Ms. Germaine Wong of the Director of Elections, it is estimated to cost approximately \$910,000 to conduct the Special Election on June 3, 1997. The major costs include the expenses of preparing and mailing the voter information pamphlet, preparing and sending out the absentee ballots and opening up the polls Citywide on election day. Ms. Wong reports that she is in the process of submitting a request for a supplemental appropriation for these funds.
- 2. The Budget Analyst will review and report to the Budget Committee on the requested expenditure details in that supplemental appropriation ordinance, when the legislation is submitted to the Board of Supervisors.
- 3. To date, no measures have been finally approved for placement on the Special Election. However, as of the writing of this report, three General Obligation Bond measures (1) \$48,000,000 Zoo Facilities Program; (2) \$130,000,000 San Francisco Unified School District and San Francisco Community College Educational Building Improvements Bond program; and (3) \$45,000,000 cultural facilities measure have been recommended for approval by the Budget Committee to be voted on in the Special Election, subject to the necessary approvals of the full Board of Supervisors.
- 4. Ms. Wong reports that the last Special Election was held in June, 1993. According to Ms. Wong, the June, 1993 Special Election, which contained only one ballot measure, cost approximately \$600,000 to conduct. Ms. Wong reports that the proposed June, 1997 is anticipated to cost approximately \$910,000, or over \$300,000 more than the previous Special Election, because, in addition to inflation, there are anticipated to be more measures on the ballot, resulting in a larger voter information

pamphlet and a longer ballot. In addition, Ms. Wong reports that there are likely to be more voters for the June, 1997 election.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 17, 18, 19 and 20 - Files 32-96-1.4, 32-96-1.5, 32-96-1.6 and 32-96-1.8

Items:

Item 17 - File 32-96-1.4 is a proposed ordinance which would amend Ordinance 105-64, the City's Cable Television Franchise Agreement, as previously amended by Ordinances 528-88, 315-89, 375-90 and 42-91.

Item 18 - File 32-96-1.5 is a resolution which would approve the transfer of control over Television Signal Corporation (TSC), the City's Cable Television Franchise Grantee, from Viacom to Tele-Communications, Inc. (TCI) subject to certain conditions.

Item 19 - File 32-96-1.6 is a resolution which would authorize the Director of the Department of Telecommunications and Information Services to accept on behalf of the City a gift in the amount of \$200,000 from TCI for the purchase of television production equipment for the Government Access Channel to be installed in the television studio in the New Main Library.

Item 20 - File 32-96-1.8 is a resolution which would authorize two side agreements between TSC and the City in connection with the transfer of control over TSC from Viacom to TCI.

Description:

In approximately August, 1995, Tele-Communications, Inc. (TCI) initiated acquisition of all cable television operations owned nationally by Viacom, Inc. through an exchange of stock. (See Comment No. 5 for an explanation of TCI's corporate structure.) Viacom, Inc. was the owner of Television Signal Corpöration (TSC), and, as such, controlled the Cable Television Franchise Grantee under the Cable Television Franchise Agreement with the City. TCI acquired TSC from Viacom, Inc.

TSC and both its previous (Viacom Inc.) and current (TCI) parent companies have asserted that the exchange of TSC's ownership from Viacom to TCI does not require approval by the Board of Supervisors, pursuant to Section 6 of the current Cable Television Franchise Agreement, and have accordingly declined to request approval of the Board of Supervisors prior to the acquisition of TSC by TCI. Other disputes between the City and TSC regard (a) provision of public building wiring and cable service; (b) service obligations and area of service; (c) the provision of services and support for public, educational and governmental access; (d) the

BUDGET ANALYST

provision of conduit for use by the City; (e) subscriber rates and (f) the payment and calculation of franchise fees.

In October of 1995, the City and TSC entered into an agreement to "preserve all of the parties' respective claims and defenses" and permit negotiations regarding the transfer of control of the cable television franchise and compliance with, and potential changes to, the City's Cable Television Franchise Agreement. As a result of the negotiations, a package of proposed legislation has been submitted for approval of the Board of Supervisors. A hearing was held on these items by the Rules Committee at the meeting of December 19, 1996. Because of the fiscal impact of this proposed legislation, the legislation has been referred to the Board's Budget Committee. The proposed legislation is described below:

I. Amendments to the Cable Television Franchise Agreement

This proposed ordinance (Item 17 - File 32-96-1.4) would amend the Cable Television Franchise Agreement. Attachment 1 to this report provides a side-by-side and section-by-section summary of the existing and pending Cable Television Franchise Agreement. Major proposed changes are summarized below.

Low Income Rates

Under Section 26.1 of the Franchise Agreement, the proposed legislation provides that TSC must offer a reduced rate for basic cable services to subscribers who qualify for Supplemental Security Income (SSI) benefits. TSC would be required to continue to provide a reduced rate for the most widely subscribed tiers of service, so long as a low income rate is provided anywhere in California, including but not limited to the basic service tier and the cable programming service tier (but excluding premium and pay per view services) equal to at least a 20% reduction from standard rates.

Unilateral Amendments and Passthroughs

Under Section 29 of the Franchise Agreement, the proposed legislation provides that on December 1, 1999, and at three year intervals thereafter, the Telecommunications Commission, which is comprised of five members appointed by the Mayor, subject to

approval by the Board of Supervisors, would be authorized to recommend amendments to the Franchise Agreement to the Board of Supervisors. The Board would have six months to adopt such recommended amendments. However, the Board of Supervisors would only be permitted to adopt amendments which:

- reflect service requirement changes based on advances in technology or demonstrated community needs;
- · are substantive in nature; and
- affect a significant number of Subscribers.

However, under this proposed legislation, the Board of Supervisors could <u>not</u> adopt amendments to the Franchise Agreement requiring TSC (a) to enhance facilities and support for public, educational and governmental channels beyond the amounts specified in the Franchise Agreement, (b) to provide additional low income rates so long as the rates required by Section 26.1 of the Franchise Agreement are still in place, or (c) to expand the City's power to unilaterally amend the Franchise Agreement.

Further, under the proposed legislation, the Board of Supervisors could not adopt amendments to the Franchise Agreement expanding the Required Service Area or the terms of TSC's line extension obligations outside the Required Service Area, as identified in Appendix F to the Franchise Agreement (see map in Board of Supervisors File No. 32-96-1.4), except with respect to the Presidio and the unserved areas in the South of Market area when specified residential density requirements are met.

Notwithstanding the provisions in Section 29, the Board of Supervisors could adopt amendments to expand TSC's obligations to enhance facilities and support for public, educational and governmental channels at any time. However, such amendments would require approval by a vote of subscribers. Such amendments would require the approval of at least 30% of the San Francisco subscribers to TSC pursuant to a secret ballot conducted by the Registrar of Voters. The cost of any such election would be the responsibility of the City. If 30% of the subscribers approved such an enhancement, TSC would be required to implement the enhancement, but could

recover associated costs from subscribers, by a passthrough enumerated on subscriber bills.

Under Section 30 of the Franchise Agreement, the proposed legislation provides that any TSC (Grantee) expenditures which are required to perform its obligations under the Franchise Agreement, shall not be offset or credited against any franchise fee payments due from TSC to the City during the term of this Franchise Agreement. Only expenditures related to the annual public, educational and governmental operating grant, under Section 27.2 (f)), may be itemized on subscriber The Administrative Services Department estimates that such charges should not exceed \$0.25 per month per subscriber or \$3.00 annually. No expenditure or increase in expenditures required to perform any of the obligations for services to public buildings (Section 24 of the Franchise Agreement), the low income rate (Section 26.1), facilities and support for public, educational and governmental channels (Section 27) (with the exception of the annual operating grant) and City access to new and existing conduit (Section 28) shall be passed through to subscribers in any way.

Payments by TSC to the City

The Amendments to the Franchise Agreement would require TSC to make the following payments to the City:

Cable facilities capital grant to be used for
purchase and installation of cable drops or
outlets and associated equipment for public
buildings or other capital expenditures
related to the Franchise Agreement

......\$350,000 *

For the acquisition of equipment by	the
City or by any entity designated by	the
City to manage and control any Pub	olic,
Educational and Governmental (PI	EG)
Channel	

Sum	of	annual	payments	to	support
addit	iona	al equipm	ent and rep	lace	ement for
PEG	Cha	nnals	•		

Cash grant to the City for the development of a new public access production facility......400,000

Mobile video production van, for use in the production of programming for the PEG Channels, with the van and equipment meeting City specifications	
Funds to facilitate transfer of control over the Public Access Channel from TSC to a not-for-profit corporation designated by the Board of Supervisors	
Subtotal\$1,898,000	
Sum of Annual Payments for PEG Channel operating expenses	***
Gift from TCI for the purchase of television production equipment for the Government Access Channel (Item 19 File 32-96-1.6)200,000	
Grand Total	
* Annual cash grants for capital facilities to be paid in accordance with the following schedule:	
1997 \$50,000 1998 50,000 1999 50,000 2000 50,000 2001 50,000 2002 25,000 2003 25,000 2004 25,000	
000	

 $[\]ensuremath{^{**}}$ Annual cash grants for PEG Channel Equipment to be paid in accordance with the following schedule:

25,000 \$350,000

1997	\$ 7,000
1998	7,000
1999	7,000
2000	7,000
2001	15,000
2002	15,000
2003	15,000
2004	25,000
2005	25,000
Total	\$ 123,000

2005

Total

49

*** Annual Payments for PEG Channel operating expenses to be paid in accordance with the following schedule:

1997	\$450,000	(prorated at transfer date)
1998	450,000	
1999	472,500	
2000	472,500	
2001	472,500	
2002	495,000	
2003	495,000	
2004	495,000	
2005	517,500	
Total	\$4,320,000	

Other Benefits to the City

In addition to the \$6,418,000 in payments to be made by TSC to the City shown above, the amendments to the Franchise Agreement would provide additional benefits to the City as follows:

- An existing section that requires TSC to provide service to schools, universities and public buildings would be replaced by expanded provisions which would require provision of service to more than 170 additional specified buildings, and to any newly owned or leased buildings of public entities. Required levels of service are specified.
- Increases public, educational and governmental (PEG) channels from the equivalent of 2.3 channels to 3 channels within 90 days and to 6 channels when the system is rebuilt.
- Increases the number of PEG transmission sites from 3 to 17 around the City.
- Transfers public access control from the TSC to a not-for-profit corporation to be designated by the Board of Supervisors.
- Adds certain areas to the required service areas as identified in Appendix F to the Franchise Agreement.
- Requires that service be provided by TSC at a uniform installation rate, regardless of whether the person is seeking a residential or business service.

 Requires that TSC allow the City to install facilities in all existing unused TSC conduit and to provide conduit for the City in all new underground construction except for lateral service connections to individual subscribers.

II. Proposed Franchise Transfer Approval Resolution

This proposed resolution (Item 18 - File 32-96-1.5) would transfer control over TSC, the City's Cable Television Franchise Grantee, from Viacom to TCI, subject to the following conditions:

- TSC would accept and agree to all amendments to the Cable Television Franchise incorporated in the ordinance under Item 17 - File 32-96-1.4 described above;
- The reported controlling corporate parent of TSC, Tele-Vue Systems, Inc. (See Comment No. 5 for a description of TCI's corporate structure) would unconditionally and without limitation guarantee TSC's performance of its obligations under the Cable Television Franchise;
- TSC and the City would enter into a mutual release and waiver of obligations under the current Cable Television Franchise, as of the effective date of the franchise amendments. The effective date will be the date on which this proposed resolution is approved by the Board of Supervisors and acceptance of its conditions by TSC and Tele-Vue Systems, Inc.;
- TSC and the City would enter into a rate stability agreement in which TSC would agree not to increase rates charged for Basic Service or the Expanded Service (Satellite Value Package) over current rates prior to June 1, 1997. TSC further agrees that any amount of revenue which TSC could have received as a result of a rate increase between August 1, 1996 and June 1, 1997 will not be included in any future TSC rate increases. TSC is not presently required to obtain City approval of any rate increases. However, complaints concerning rate increases can be filed with the Federal Communications Commission.

 Viacom Inc. is required to pay the City \$20,000 for expenses related to reviewing and approving the franchise transfer.

The mutual release and waiver provides that TSC waives and releases the City and County of San Francisco from any liability or obligations arising from the Cable Television Franchise or the assessment, imposition or collection of any fees or obligations arising prior to the date of this mutual release.

The City and County would release TSC from any claims, demands, liabilities or causes of action arising out of or relating to any breach or alleged breach of the Cable Television Franchise which may have occurred prior to the date of this mutual release. The mutual release does not affect anything other than the Cable Television Franchise and acts committed or alleged prior to the execution of this mutual release, and does not affect any past, present or future tax assessments. The release expressly does not affect any claim relating to the lease, sublease or use by third parties, or continued lease to third parties of any of the facilities installed by TSC pursuant to the franchise.

Under the terms of the mutual release, the City would not waive claims arising from an audit of Cable Franchise Fees now being conducted by the Controller from January 1993 through June 30, 1996, provided that the City's claims shall be limited to "claims arising from arithmetical or computational errors of TSC or its agents" so long as TSC has not changed its method of reporting from prior periods.

The mutual release provides that Tele-Vue Systems, Inc., the controlling corporate parent of TSC, guarantees the performance by TSC of the obligations of the Cable Television Franchise as would be amended by the proposed ordinance in Item 17 - File 32-96-1.4.

III. Gift from TCI

This proposed resolution (Item 19 - File 32-96-1.6) would authorize the Director of the Department of Telecommunications and Information Services to accept on behalf of the City a cash gift in the amount of \$200,000 from TCI for the purchase of television production equipment for the Government Access

Channel to be installed in the television studio in the New Main Library.

Section 10.116 of the Administrative Code requires approval by the Board of Supervisors for the acceptance of gifts to the City with a value greater than \$5,000.

A specific list of equipment to be acquired with the proposed cash gift of \$200,000 has not yet been prepared. However, Paoletti Associates Inc., Acoustical and Audiovisual Consultants, prepared a cost estimate of recommended facilities, equipment and systems requirements for the television production facilities for the New Main Library's television studio, which totaled approximately \$1.5 million. Mr. Steve Nelson, of the Administrative Services Department, states that the \$200,000 for the Government Access Studio, located in the New Main Library, will be used to fund a portion of the total estimated cost of \$1.5 million associated with the outfitting of that studio. The final configuration of the studio and the equipment needs have yet to be determined, and the other funding sources, for the additional estimated needed \$1.3 million (\$1.5 million less \$200,000) have not been identified.

IV. Proposed Side Agreements

This proposed resolution (Item 20 - File 32-96-1.8) would authorize two side agreements between TSC and the City in connection with the transfer of control of TSC from Viacom to TCI as follows:

- One side agreement, included in a November 6, 1996 letter from the City Attorney to Richard R. Patch, Attorney for TCI, confirms that the City accepts TCI's gift of \$200,000 in cash to be used for the purpose of assisting in the purchase of television production equipment for the Government Access Channel in the television studio of the New Main Library. This City Attorney letter also confirms the City's agreement to prepare and support legislation to allow cable television providers such as TSC the same rights of access to easements, licenses, or other rights-of-way as other utilities in the City have and TCI's obligation to provide maps of its cable facilities.
- The other side agreement is included in an October 28, 1996 letter from Richard R. Patch, Attorney for TCI, to the City Attorney, confirming (1) that a recent

BUDGET ANALYST

court ruling in Baltimore will be implemented in San Francisco, providing that franchise fees enumerated on subscribers bills and paid by subscribers to TCI will not be included in the base revenues used to calculate franchise fees due from TSC to the City. unless the Baltimore decision is reversed on appeal, (2) the agreement of TSC and TCI to affirmatively market Primestar (small disc satellite TV service) to certain designated areas of the City, (3) agreement on a single point of contact for franchise issues (Mr. Steve Nelson of the City's Administrative Services Department unless changed by the City), (4) the City's agreement to cooperate with TCI in obtaining a dismissal of litigation with respect to TCI's obligation to wire public buildings by confirming to the Court that new sections in the pending franchise agreement clarify TCI's obligations to wire public buildings.

Comments:

- 1. The Budget Analyst's April 27, 1994 Franchise Fee Audit of Viacom reported that Viacom had understated gross receipts and had understated franchise fees owed to the City by an estimated \$163,899 for calendar years 1991 and 1992 including franchise fees relating to understated advertising revenues of \$124,002. The understated gross receipts and the related understated franchise fees remitted to the City have resulted from differences in the interpretations of whether certain types of revenue were to be included in gross receipts for purposes of calculation of Viacom's franchise fee obligation to the City. In response to the Budget Analyst's report, Viacom asserted that Viacom had overpaid franchise fees, unrelated to the findings contained in the Budget Analyst's report, in amounts greater than the deficiencies identified in the Budget Analyst's audit. Areas of disagreement between the Budget Analyst and Viacom were as follows:
- Viacom only included <u>net</u> advertising revenues after deduction of expenses and profit which it received from an affiliate (Bay Cable Advertising) instead of <u>gross</u> advertising revenues.
- Viacom only included <u>net</u> revenues received from collection agencies after deduction of collection fees instead of <u>gross</u> revenues collected from subscribers.
- Viacom did not include revenues from sales of TV Guide in gross receipts.

- Viacom did not include video control center equipment rental in gross receipts.
- Viacom did not include the value of free services provided to non-profit organizations, apartment managers, television dealers and employees of Viacom and other cable companies.

The proposed amendments to the Franchise Agreement (Item 17 - File 32-96-1.4) provide a clear definition of gross receipts, which was negotiated between the City and TSC, and clarify each type of gross receipts to be included for purposes of the franchise fee computation of payments by TSC to the City. Advertising revenues are to be included in receipts for purposes of the franchise fee computation effectively on a net basis at the greater of: (1) 40% of advertising revenue allocable to San Francisco, net of fees or commissions paid to any nonaffiliated advertising agency, or (2) actual revenues received by TSC. The proposed amendments would only require payment of franchise fees on net advertising revenue as defined above, instead of gross advertising revenue received by affiliated companies. In the Franchise Fee Audit of Viacom, the Budget Analyst recommended payment of franchise fees on gross advertising revenue. The proposed amendments would insure that the City would continue to receive at least as much advertising revenue as is currently received, but would not provide the City with franchise fees on 100 percent of gross advertising revenues, as recommended by the Budget Analyst.

- 2. According to the current Franchise Agreement, TSC is not allowed to let other companies use its cable facilities without City approval. According to Ms. Julia Friedlander of the City Attorney's Office, the proposed amendments to the Franchise Agreement do not change this restriction. The City Attorney's Office is investigating this issue and the City has reserved its right to pursue any breach of the franchise agreement in the mutual release and waiver provisions contained in the resolution (Item 18, File 32-96-1.5).
- 3. The Telecommunications Policy Committee (TPC) consists of nine members who serve at the pleasure of the Board of Supervisors and make recommendations to the Board of Supervisors on telecommunication issues. The TPC has reviewed the existing Franchise Agreement and the related amendments thereto (Item 17 File 32-

- 96-1.4) and has recommended that additional amendments be considered by the Board of Supervisors. While the TPC identified numerous areas where the Franchise Agreement could be strengthened, the TPC recommended that the Board of Supervisors make additional amendments to the Franchise Agreement in the following areas:
- Conduit and fiber optic provisions. (Increasing City access to channels.)
- Consumer and government cable user discounts. (Providing increased discount rates for needy persons and government agencies.)
- Additional funding for Public, Educational and Governmental access channels. The TPC recommends increased funding from the franchise fees and have estimated that a total of \$21.3 million is needed for public, educational and government access from 1996-97 to 2004-2005. The TPC also recommends changes in the proposed procedure for conducting elections for subscriber approved pass-throughs. In FY 1996-97 the City allocated \$50,000 each to Public, Educational and Government access channels or a total of \$150,000.
- Public, Educational and Governmental (PEG) channel placement on the cable system and PEG program listings. The TPC recommends stable placement and improved advertising of PEG channels.

The Telecommunication Policy Committee's recommendations are more fully described in Attachment 2 to this report.

- 4 As previously noted, the Registrar of Voters would be required to conduct any election to poll subscribers on expansion of TSC's obligations to enhance facilities to support Public, Educational and Governmental access channels, subject to the increased costs being passed through by TSC to its subscribers. The Registrar of Voters has estimated that the cost to the City of any such election, which would be conducted by mail, would be approximately \$75,000.
- 5. At the request of the Budget Analyst, representatives of TCI have clarified the corporate structure of TCI and

its affiliated companies and have provided information for the nine months ending September 30, 1996 as follows:

- Tele-Communications, Inc. (TCI)- is the largest U. S. owner and operator of cable television systems. Through the Liberty Group TCI also has interests in Silver King Communications, Turner Broadcasting System, Discovery Communications, QVC, and others. Encore Media Corp. and United Video Satellite Group are also owned by TCI. Tele-Communications, Inc. reported total assets of \$30.6 billion, gross sales of \$6.1 billion, operating cash flow of \$0.6 billion and a net loss to shareholders of \$0.5 billion.
- TCI Communications, Inc., a Delaware Corporation, is a direct subsidiary of Tele-Communications Inc. which owns all TCI affiliates which own cable television systems. TCI Communications, Inc. reported total assets of \$25.3 billion, gross sales of \$4.6 billion, operating cash flow of \$0.6 billion and a net loss to shareholders of \$0.3 billion.
- TCI Pacific Communications, Inc., is a direct subsidiary of TCI Communications, Inc. which owns those cable systems acquired from Viacom. TCI Pacific Communications, Inc. reported total assets of \$3.5 billion, gross sales of \$0.4 billion, operating cash flow of \$33.0 million and net income to shareholders of \$4.5 million.
- <u>Tele-Vue Systems, Inc.</u> is the parent company of Television Signal Corporation and is a direct subsidiary of TCI Pacific Communications, Inc. Tele-Vue Systems, Inc. would guarantee the performance of TSC's Obligations under the Cable Television Franchise Agreement between TSC and the City. Financial information was requested on this Corporation but the Budget Analyst was not provided with such financial information.
- <u>Television Signal Corporation (TSC)</u> is a direct subsidiary of Tele-Vue Systems, Inc., and is the holder of the present franchise agreement with the City and operates the San Francisco cable television system. As such TSC is the City's Cable Television Franchise Grantee. Financial information was requested on this

Corporation but the Budget Analyst was not provided with such financial information.

According to Mr. Richard Patch, Attorney for TCI, all cable system assets, which were formerly owned by Viacom are now owned by and incorporated into the financial records of Tele-Vue Systems, Inc. Tele-Vue Systems, Inc. has recorded no debt, according to Mr. Patch. All debt related to the acquisition of the cable systems, formerly owned by Viacom, is recorded in the financial records of TCI Pacific Communications, Inc., according to Mr. Patch. Financial statements are not routinely prepared for either Tele-Vue Systems, Inc. or Television Signal Corporation, according to Mr. Patch.

6. The Budget Analyst has requested, but has not been provided, with either (a) financial information pertaining to Tele-Vue Systems, Inc., the corporation which is to guarantee the performance of the City's Cable Television Franchise Grantee, namely Television Signal Corporation (TSC) under the Cable Television Franchise Agreement between TSC and the City or (b) financial information pertaining to TSC. Further, the Budget Analyst requested, but has not yet been provided, with financial information from representatives of Tele-Communications, Inc. (TCI) related to TCI's most recent credit ratings. The most recent ratings available are on bonds issued by TCI Communications, Inc., a direct subsidiary of TCI. Standard and Poor's rating of TCI Communications, Inc. was BBB- which is the lowest possible investment grade rating and Moody's Investor Service rating of TCI Communications, Inc. was BA1 which is a rating below investment grade.

Recommendation: Approval of the proposed legislation is a policy matter for

the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Steve Agostini
Stephen Kawa
Ted Lakey

Provisions Contained in Existing Franchise Agreement

SECTION 1: This Section provides that the City and County of San Francisco ("City"), grants a franchise to Television Signal Corporation, (hereinafter called Grantee) and its successors, for the purpose of operating and conducting, a Community Antenna System.

"Community Antenna System" is defined as "Antennas, coaxial cables, amplifiers, droplines, other conductors, and other equipment or facilities, not limited to the foregoing, including any of the same, and any services performed by the use of same firmished by any public utility or other person or entity, whether pursuant to tariffs or any arrangement, necessary for or incidental to the capture or the transmitting of television signals, for a consideration, or as a public service, to customers at the selection of the Grantee."

Section 1 provided that The Board of Supervisors shall establish a Telecommunications Policy Committee (hereinafter the Committee); and defines the powers, duties and responsibilities of the Committee.

SECTION 2: Provides for the provision to the City, by the Grantee, of "complete plans, maps and records showing the exact location of all Community Antenna System equipment installed in streets, alleys and other public places in the City. Requires specific information to be filed with the City concerning the construction of the system.

Contains a subsection stipulating System Requirements; "State of the Art" cable components and equipment; Provision of local programming opportunities for public expression, and; construction of a Satellite antenna for reception of Satellite programming.

Provides that Basic Subscriber rates shall continue to be set by ordinance of the Board of Supervisors.

Establishes requirements for support of public access channels.

Requires provision of new Public, Educational and Governmental (PEG) channels should TSC transmission capability extend beyond a total of 52 channels.

Provisions Contained in Franchise Agreement Pending Before the Budget Committee of the Board of Supervisors

SECTION 1: (Now entitled "Grant") This Section would be unchanged except that it deletes all reference to the Telecommunications Policy Committee. A separate ordinance recently approved by the Board of Supervisors created a Telecommunications Commission. Section 29 of the proposed ordinance reassigns responsibility to recommend unilateral franchise amendments to the Telecommunications Commission.

The term "Community Antenna System" is redefined in Section 32 to conform to Federal law.

SECTION 2: (Now entitled "Maps") Substitutes Director of the Department of Telecommunications and Information Services for the defunct Chief of the Department of Electricity. Deletes obsolete language concerning construction plan and related information.

Requirements that at least one municipal and one educational "headend" (i.e., point of origination for programming) shall be provided at no cost to the City, school districts or universities, are deleted and moved to new Section 27.1. Service area requirements are deleted and addressed in new Sections 26 and 26.1.

Subsections requiring Municipal/Educational access channel time and related quality standards have been moved to new Section 27 and 27.1. Public building wiring requirements are deleted and replaced with Sections 24 through 24.7 and Appendices A through D.

Section 2 of the proposed amendment deletes franchise fee provisions which are addressed in Section 8.

Local programming subsection deletes reference to public access on Channel 25, and establishes new requirements for public access in Sections 27 through 27.3. Satellite antenna construction and basic subscriber rate provisions remain.

Provisions Contained in Existing Franchise Agreement (Continued)	Provisions Contained in Franchise Agreement Pending Before the Board of Supervisors ined)
SECTION 3: Grantee indemnifies City against any and all liability arising from operation of franchise.	SECTION 3: (Now entitled "Grantee Indemnification of the City") Minor format changes only.
SECTION 4: Addresses technical requirements, undergrounding of facilities and technical quality and customer service.	SECTION 4: (Subsections now entitled "Technical Requirements", "Undergrounding" and "Technical Quality and Customer Service") Minor format changes. Term "fiber optic" is added as permissible transmission medium in addition to coaxial cable.
SECTION 5: Provides that "The City reserves the right of reasonable regulation of the erection, construction, and maintenance of any works and construction by the Grantee and to reasonably designate where such works and construction are to be placed." Further provides that the system will be available without charge for disaster or civil defense purposes.	SECTION 5: (Subsections now entitled "City Regulatory Authority and System Available for Emergency/Civil Defense"). Minor format changes only.
SECTION 6: Provides that "The Grantee shall not have the right to assign or otherwise transfer in any manner whatever this Franchise, or sell, lease, license or permit others to use, transfer in any manner whatever, or convey any interest in, all or any part of its facilities which are installed or operated hereunder, except upon the prior written approval by ordinance of the Board of Supervisors of the City."	SECTION 6: (Now entitled "Limitation on Assignment or Transfer") Minor format changes only.
SECTION 2: Provides that the franchise may be forfeited, at the option of the City, upon failure or refusal of the Grantee to observe the terms and conditions of the franchise.	SECTION 7: (Now entitled "Forfeiture") Minor format changes only.

Provisions Contained in Existing Franchise Agreement

Provisions Contained in Franchise Agreement Pending Before the Budget Committee of the Board of Supervisors

(Continued)

SECTION 8: The Grantee shall pay to the City as a Franchise and permit fee and the sum equal to five percent (5%) of its total gross receipts from Community Antenna System customers as defined in Section 19 hereof.

Total Gross Receipts is defined in Section 19 as any and all compensation and other consideration in any form whatever, and any contribution, grant, or subsidy received, directly or indirectly, from any source without exclusion whatever except as enumerated below, by, for, or on behalf of the Grantee, any agent, Iessee, licenses, or permittee of the Grantee, or any other person or entity operating or otherwise utilizing Community Antenna System facilities under any arrangement with the Grantee, in payment for any Community Antenna System signal or signals, or for installations, servicing, or other acts, not limited to the foregoing, performed in connection with any Community Antenna System equipment, regardless of the ownership thereof, which is connected, or designed for connection, to a Community Antenna System, or any part thereof.

Total Gross Receipts shall not include the amount of any taxes on the service furnished by the Grantee imposed directly on the customer by any city, state or other governmental unit and collected specifically by the Grantee for such governmental unit.

The Grantee shall provide the Telecommunications Policy Committee with an annual projection of the amount of franchise tax proceeds to be paid to the City during the next calendar year.

The Grantee shall pay the five percent franchise fee to the Controller who shall deposit 4.8% of the Gross Receipts into the City's General Fund and shall deposit two tenths of one percent (0.2%) of the gross receipts into the Caller Television Access and Development Fund for public, educational, and municipal access activities. Public access functions shall be performed by a not-for-profit corporation.

The not-for-profit corporation's purpose, functions and responsibilities are defined in this Section. Municipal and educational access functions shall be funded by using that portion of the 0.2% franchise fee not used for public access.

SECTION 8: (Now entitled "Franchise Fee") All Franchise Fee provisions are now consolidated in this section. For the term of the Franchise, the Grantee or its successors will agree to pay the City a 5% Franchise fee on Gross Revenue. The City may renegotiate the fee at five year intervals if permitted by changes in current state or federal law, with disputes to be settled by arbitration.

The definition of Gross Revenue, as defined in Section 32 of the proposed ordinance is summarized as follows:

All amounts received by the Grantee or by any Affiliate of the Grantee including, but not limited to: (i) Amounts received for the provision of any Cable Service; and (ii) Amounts received for installation, disconnection, reconnection, change-in-service, repair, maintenance, late fees, and rental or sale of equipment; and (iii) Amounts received for advertising in program guides; and (iv) Amounts received for carriage of any programming on the Cable System; and (v) Amounts received for carriage of home shopping Channels; and (vi) Amounts received for carriage of home shopping rental and personnel fees; and (vi) the fair market value of any free services, except as provided in subsection (d).

except as provided in subsection (d).

Gross Revenue shall also include all amounts received by the Grantee for advertising distributed over the Cable System, except revenue received from Bay Cable Advertising ("BCA"), or by any other Affiliate of the Grantee engaged in the business of selling local or regional advertising on the Cable System ("BCA Equivalent"). With respect to revenue received from or by BCA or a BCA Equivalent, Gross Revenue shall equal the greater of: (i) all Amounts received by the Grantee from BCA or any BCA Equivalent or (ii) forty per cent (40%) of the "subscriber pro-rated amount" multiplied by the "net advertising revenue" received by BCA or any BCA equivalent. Gross Revenue shall not include: (i) any taxes on services furnished by the Grantee; (ii) any revenue that is also included in Gross Revenue of the Grantee to employees of the Grantee, to Public Buildings, or as a contribution to any non-profit organization; (iv) investment income received by the Grantee or any Affiliate of the Grantee; (v) actual bad debt write-offis, provided, that subsequent collections of bad debts shall be included in Gross Revenue in the period collected; or (vi) Amounts paid by a Subscriber but subsequently refunded to the Subscriber.

Provisions Contained in Existing Franchise Agreement (Continued)	Provisions Contained in Franchise Agreement Pending Before the Budget Committee of the Board of Supervisors (ucd.)
SECTION 9: The terms of this Franchise shall extend until December 31, 2005. This Franchise is to be nonexclusive and shall be construed in accordance with applicable laws in the State of California, including the charter, ordinances, resolutions, and regulations of the City.	SECTION 9: (Now entitled "Term/Non-exclusivity) Minor format changes only.
SECTION 10: Grantce agrees that it shall not perform any services for customers for any compensation other than that which is stated in its schedule of rates and changes on file with the Board of Supervisors unless an application for modification has been approved by the Board of Supervisors. Any proposed modification of such schedule shall be filed with the Clerk of the Board of Supervisors of the City before any such modification may become effective. Within a period of ninety (90) days the Board of Supervisors shall, after public hearing and notification to the Grantee, act by ordinance to approve or disapprove in whole or in part, said proposed modification. Any modification of said schedule or part thereof which is approved by the Board of Supervisors shall not be put into effect until sixty (60) days after final passage of the ordinance giving such approval.	SECTION 10: (Now entitled Rate Modifications) Minor format changes only.
SECTION 11: Terms of the Franchise agreement shall be extended to all areas added to the City.	SECTION 11: (Now entitled "Annexation") Minor format changes only.
SECTION 12: No privilege or exemption is granted or conferred by this Franchise except those specifically prescribed by the ordinance.	SECTION 12: (Now entitled "Grantee Privileges Subordinate") Minor format changes only.
SECTION 13: All construction by the Grantee is subject to approval by the Director of Public Works.	SECTION 13: (Now entitled "City Authority over Construction") Minor format changes only.
SECTION 14: The Grantee shall promptly remove from the streets, alleys and public places of the City all property no longer used for purposes defined under the Franchise ordinance.	SECTION 14: (Now entitled "Abandoned Property") Minor format changes only.
SECTION 15: At the order of the Director of Public Works the Grantee must remove or relocate any and all facilities connected with the operation of the franchise.	SECTION 15: (Now entitled "Removal and Relocation of Facilities") Minor format changes.

Existing Franchise Agreement SECTION 16: The Director of Public Works can compel the Grantee to perform any work required of it by an existing or fiture ordinance, resolution, or regulation of the City, or by State law, or by provisions of this Franchisee. SECTION 12: The Grantee shall maintain for the entire term of the Franchise a faithful performance bond approved by the Controller and in form satisfactory to the City Attorney of the City in the amount of \$25,000. SECTION 13: Grantee agrees that during the existence of this Franchise it will maintain a general comprehensive liability insurance policy, in protection of the City, members of its boards and commission, and its officers, agents and employees, and the Rodevelopment Agency of the City, its members, officers, agents and employees, with minimum liability insurance. Signal on the City, its members of the City of the proposal injury of death of any one person and \$500,000 for personal injury of death of two or more persons. SECTION 12: Definitions of terms used in the original franchise ordinance. Definitions are now in Section 32 of the proposed ordinance. SECTION 20: Limited authorization to FCC approved television signal only. SECTION 21: Further limitations on television signal delivery including safiler, events originaling in San Francisco.	Provisions Contained in Franchise Agreement Pending Before the Budget Committee of the Buard of Supervisors SECTION 16: (Now entitled "Cure for Nonperformance") Minor format changes only. SECTION 18: (Now entitled "Performance Bond:) Minor format changes only. Minor format changes only. SECTION 18: (Now entitled "Insurance") Minor format changes only. Minor format changes only. SECTION 19: (Formerly Section 20; now entitled "Limited Authorization to Grantee") Minor format changes only. SECTION 20: (Formerly Section 21; now entitled "Television Signal Deliver")
	Minor format changes only.
SECTION 22: Grantee to file written acceptance of Franchise with the Clerk of the Board of Supervisors.	SECTION 21: (Formerly Section 22; now entitled "Acceptance") Minor format changes only.

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Provisions Contained in Franchise Agreement Pending Before the Budget Committee of the Board of Supervisors

(Continued)		
2)	CTION 23: If any part of the ordinance is for any reason held illegal,	and, of unconstitutional, it shall not affect the varianty of the ordinance

default, that part of the system located in the streets shall, at the election of the City, become the property of the City at a cost not to exceed its then book value with a reduction for any damages incurred by the City in SECTION 24: If this Franchise is canceled by reason of the Grantee's or any of the remaining portions thereof.

On expiration of the Franchise, the City at its election, may purchase the system at fair market value.

connection with such cancellation.

only.	
Minor format changes only.	
Minor for	

ECTION 22: (Formerly Section 23; now entitled "Severability")

SECTION 23: (Formerly Section 24; now entitled "Termination")

Minor format changes only

in Franchise Agreement Pending before the Budget Committee Summary of New Sections 24 through 32

(NOTE; ALL REMAINING SECTIONS OF THE PROPOSED ORDINANCE ARE NEW)

SECTION 24; Service to Public Buildings

The Grantee shall be required to provide service to Public Buildings only as set forth in Sections 24.1 through 24.7 below. SECTION 24.1 Service Connections

With respect to the Public Buildings identified in Appendices A through D, the Grantee install a cable drop and outlet as follows:

in each of the buildings identified in Appendix A within 6 months after the Date of the Franchise Amendments; and

in each of the buildings identified in Appendix C within 18 months after the Date of the Franchise Amendments; and in each of the buildings identified in Appendix B within 12 months after the Date of the Franchise Amendments and;

in each of the buildings identified in Appendix D when the City makes available an open utility trench.

Grantee shall install a cable drop and outlet to new Public Buildings or Public Buildings where cable service may become Continuing Service Connection Obligation. SECTION 24.2 available in the future.

On or before January 15 in each of the years 1997, 1998, 1999, 2000, and 2001 the Grantee shall pay to the City \$50,000 and on or before January 15 in each of the years 2002, 2003, 2004 and 2005 the Grantee shall pay to the City \$25,000. These funds may be used by the City to purchase and install cable drops or outlets and associated equipment in Public Buildings; to purchase and install any product or service offered by the Grantee or offered by any other entity authorized to provide services over the Cable System; to make SECTION 24.3 Cable Facilities Capital Grant.

any capital expenditure related to the Franchise Agreement.

SECTION 24.4 Signal Strength and Quality standards. SECTION 24.5 Service Level In Public Buildings

The Grantee's service to Public Buildings shall include the installation and maintenance of a cable drop and outlet but shall not include relocation of outlets and shall not include any television set.

service tier; shall not include premium Channels, pay per view Channels and a la carte services not subject to rate regulation; and may The Grantee's service to Public Buildings shall include but not be limited to basic cable services and the cable programming include a la carte services subject to rate regulation, subject to mutual agreement between the City and the Grantee

SECTION 24.6 Alternative Service

Mission Street, and 6101 Fulton Street, as well as the men's and women's gymnasium buildings on the Phelan Avenue Campus of City College of San Francisco, Grantee shall, within 6 months after the Date of the Franchise Amendments provide satellite service to these Unless and until the Grantee installs and provides Cable Service to the Public Buildings located at 676 Howard Street, 800 buildings, including all equipment necessary to receive such service but not including any television ser. SECTION 24.7 Termination of Service Obligation

If a Public Building ceases to be owned or leased and occupied by any of the entities designated in Section 32.16, the Grantee's obligation to serve the Public Building pursuant to Sections 24 through 24.6 shall cease with respect to that Public Building.

Summary of New Sections 24 through 32 in Franchise Agreement Pending before the Budget Committee (Continued)

SECTION 25; Rebuild of Cable System

shall be entitled to use the Rebuilt System to make Upgraded Services available provided, however that if the Grantee does not complete The Grantee informs the City that it has begun to rebuild the Cable System in the Arcas designated in Appendix E. The Grantee the Rebuilt System and offer Upgraded Services to all Subscribers within the Required Service Area within a reasonable period of time, Grantee shall cease providing Upgraded Services to any Subseriber within the geographic boundaries of the City and County of San

On or before September 1 and March 1 in each year prior to completion of the Rebuilt System, the Grantee shall file a Rebuild

Progress Report with the Board.

The Grantee will make diligent efforts to identify a hub location in Rebuild Hub Service Area 5, as identified in Appendix E.

The Grantce shall not deny any services, including Upgraded Services, to any group of potential Subscribers because of the income of the residents in the local area in which such group resides. The Grantee shall notify the City of the status of these efforts within 6 months after the Date of the Franchise Amendments.

SECTION 26: Service Obligation and Area

Within the Required Service Area, the Grantee shall make all services distributed over the Cable System available to any Person who makes a request for service within 30 days of the request. The Grantee shall not discriminate among Persons in the availability of services or in the rates, terms and conditions thereof.

construct and activate any extension of plant. Grantee shall implement a policy that will reimburse to Subscribers who have paid any line extension charges (and have signed a written agreement specifying the limits of Grantee's reimbursement obligation) a pro rata share of such charges if new customers become subscribers on that extension. Within the Required Service Area, the Grantee shall install service at standard installation rates without charge for any line extension, regardless of whether extension of plant is required. Outside the Required Service Area, the Grantee shall install service but may charge a Subscriber the standard installation rate plus the amount of Grantee's actual and reasonable cost of labor and materials to

residential units is approved in this area and until a joint utility trench, meeting all applicable code requirements is opened to the proposed development. Further, the Grantee shall be under no obligation to provide service to the Hunter's Point Naval Reservation area unless provided to any Subscriber in the immediately adjacent geographic area within the Required Service Area. Grantee shall be under no obligation to provide service within the Exceutive Park development, as designated in Appendix F, unless construction of at least 240 The Grantee shall provide service to the Expansion Areas identified as such in Appendix F by the time Upgraded Services are construction of residential units is approved by the City, the Grantee is protected against liability for environmental contamination remediation costs and a joint utility trench, meeting all applicable code requirements is opened to the proposed development.

At the City's request, in response to any complaint that a Subscriber or Person has not been provided service in accordance with the requirements of the Franchise Agreement, the Grantee shall provide a report to the City, within 15 days of the City's request, explaining the request for service, the charge required in connection with the request and the disposition of the request.

SECTION 26.1. Low Income Rate

reduced rate for basic cable services or the cable programming service tier to low-income subscribers in any jurisdiction within the state however that the Grantee shall be under no obligation to provide a special tier of service distinct from the service tiers offered to other limited to the basic service tier and the cable programming service tier (but excluding premium, pay per view, and a la carte services) of California, the Grantee shall continue to provide a reduced rate for the most widely subscribed tiers of service, including but not Throughout the remaining term of the Franchise Agreement, so long as the Grantee or any Affiliate of the Grantee offers a equal to at least a twenty per cent (20%) reduction from standard rates to Subscribers who qualify for S.S.I. benefits; provided,

in Franchise A greenent Pending before the Budget Committee Summary of New Sections 24 through 32

SECTION 27: Public, Educational and Governmental (PEG) Access Channels

Channel. The Grantee may use the Channels allocated by this Section 27 for public, educational and governmental use only pursuant to rules and procedures adopted by the City

Within 90 days after the Date of the Franchise Amendments, the Grantee shall increase from 2.3 to 3 the full-time usable activated Channels capable of NTSC video delivery allocated for public, educational and/or governmental use.

The Grantee shall provide an additional 3 full-time usable activated PEG Channels at such time as the Grantee offers Upgraded Throughout the remaining term of this Franchise Agreement, the Grantee agrees to provide Channel capacity for public, educational and governmental use as provided in this Section. The Grantee shall not exercise any editorial control over any PEG

Services to any Subscriber on a commercial basis.

The City, in its sole discretion, may designate any entity or entities to manage and control any PEG Channel or any portion

If the Grantee changes the location of any PEG Channel, the Grantee shall provide advance notice to Subscribers and will

provide marketing support reasonably calculated to notify Subscribers about the change.

If at any time during the term of this Franchise Agreement the Grantee shall upgrade the Cable System to a capacity exceeding 750 MHz of bandwidth, 10% of any bandwidth used for Cable Services in excess of 750 MHz shall be allocated for PEG Channels on

the same terms and conditions set forth in paragraphs (a) through (f) of this section. SECTION 27: Public, Educational and Governmental Access Charnel Transmission

The Grantee shall continue to provide, maintain and upgrade, at the Grantee's sole cost and expense, all equipment and facilities necessary to provide continuous transmission of public, educational and governmental access signals from the following locations: 1003 Turk Street, the Arts Extension Building on the Phelan Avenue Campus of City College of San Francisco, and the public access

(b) The Grantee shall, in addition, at Grantee's sole cost and expense, provide, maintain and upgrade all equipment and facilities necessary to distribute public, educational and government access signals originating from the following locations according to the production facility currently located at 1855 Folsom Street.

• The New Main Library and the War Memorial Building (temporary City Hall) within 60 days of issuance of any necessary following schedule:

· City Hall, by the time the building reopens.

• The High School for the Performing Aris plus an additional 7 buildings by the time Upgraded Services are offered to a majority of Subscribers in the Rebuild Hub Service Area in which the buildings identified by the City are located, provided that regardless of the status of the construction process, the additional sites shall be available in no event later than January 1, 2000. • An additional three (3) locations to be completed prior to the time Upgraded Services are offered to a majority of the Subscribers in Rebuild Hub Service Area 5.

to the City, all equipment and facilities necessary to transmit programming

• If the signal insertion point at 1003 Turk Street requires relocation in connection with the construction of the new adjacent 9-1-1 • If the public access production facility is moved to a location other than 1855 Folsom Street, the Grantee shall move, at no cost

facility, the Grantee shall move any equipment and facilities necessary to distribute PEG Channel signals from this location within the footprint of the existing Emergency Command Center or to the new adjacent 9-1-1 facility.

The Grantee shall, at its sole cost and expense, provide and maintain all equipment necessary to distribute Second Audio Program (SAP) signals over all PEG Channels from all PEG Channel Origination Locations.

Summary of New Sections 24 through 32 in Franchise Agreement Pending before the Budget Committee (Continued)

5750,000 for the acquisition of equipment by the City or by any entity designated by the City to manage and control any PEG Channel SECTION 27.2: Facilities & Support for Public. Educational and Governmental (PEG) Channels
Within 30 days after the Date of the Franchise Amendments, the Grantee shall make a cash grant to the City in the amount of or any portion thereof, to support the operations of the PEG Channels.

The Grantee shall make additional cash grants to the City for acquisition and replacement of equipment to support the operations of the PEG Channels according to the following schedule and in the following amounts:

- \$7000 on or before June 15 in each of the years 1997, 1998, 1999, and 2000;
- \$15,000 on or before June 15 in cach of the years 2001, 2002, and 2003; and
- \$25,000 on or before June 15 in each of the years 2004 and 2005

Within 30 days after the Date of the Franchise Amendments, the Grantee shall make a cash grant to the City in the amount of \$400,000 for the development of a new public access production facility.

Within 60 days after receiving specifications from the City, the Grantee shall confirm to the City that it has ordered a mobile video production van, for use in the production of programming for the PEG Channels, with van and equipment meeting City specifications for costs not to exceed \$200,000,

\$75,000 to facilitate transfer of control over the public access Channel from the Grantee to a not-for-profit corporation designated by the Within 30 days after the Date of the Franchisc Amendments, the Grantee shall make a cash grant to the City in the amount of Board pursuant to Section 27.3 and for 1996 operating expenses.

Channels. The amount of the grant shall be \$450,000 for each of the calendar years 1997 and 1998; provided, however that the amount Commencing with 1997, the Grantee shall make an annual cash grant to the City to be used for operating expenses for the PEG of the grant in the initial year shall be pro-rated based on the number of days remaining in the year as of the date on which management and control over the public access Channel is transferred pursuant to Section 27.3. The amount of the annual operating expense cash grant shall increase by \$22,500 every three years (i.e. in 1999, 2002, and 2005).

SECTION 27,3: Transfer of Control Over Public Access Channel and Production Facility

Channel and all facilities and equipment used to support the public access Channel to a not-for-profit corporation designated by the On a date designated by resolution of the Board, the Grantee shall transfer management and control over the public access

Upon transfer of control of the public access Channel to the not-for-profit corporation designated by the Board, the Grantee shall deliver to the not-for-profit corporation the equipment in the existing public access facility identified in Appendix G.

SECTION 28; New City Conduit

This section details terms and conditions under which City would have access to Grantee's new and existing underground

in Franchise Agreement Pending before the Budget Committee Summary of New Sections 24 through 32

recommended amendments, provided that such amendments reflect service requirement changes based on advances in technology or demonstrated community needs, are substantive in nature, and affect a significant number of Subscribers. The Board shall not adopt At three year intervals after and beginning with December 1, 1999, the Telecommunications Commission may recommend to the Board amendments to the Franchise Agreement. Within 6 months of receipt of such recommendations, the Board may adopt amendments to the Franchise Agreement requiring the Grantee to:

- increase the level of service or number of outlets provided to Public Buildings; or
- increase the number of or amount of the grants provided pursuant to Section 24.3 of the Franchise Amendments;
 - add PEG Channel Origination Locations or change the site of any such location;
- provide any additional operation or management of PEG Channels or PEG Channel programming;
 - pay any additional fees to enable the City to provide programming on any PEG Channel;
- provide any additional facilities or equipment in connection with the operation of the PEG Channels;
- provide financial assistance to the City to support digital compression of PEG Channel programming.
 - provide additional PEG Channels;
- provide additional equipment or operating grants for support of the PEG Channels, except as provided pursuant to Section 29.1; (x) provide additional conduit to the City;
 - provide additional low income rates, so long as the rate required by Section 26.1 of the Franchise Amendments is still in place;
 - expand the City's power to unilaterally amend the Franchise Agreement; or

The Board shall not adopt amendments to the Franchise Agreement expanding the Required Service Area or the terms of Grantee's line extension obligations outside the Required Service Area, save and except with respect to (i) the Presidio, or (ii) with respect to the unserved areas in the South of Market area. In case of dispute or questions of interpretation of this Section 29 the matter construct a dedicated institutional network for municipal use.

30% of Subscribers pursuant to a secret ballot; and The Grantee may recover from Subscribers, by a passthrough enumerated on Subscriber bills, the costs of complying with any increased obligations adopted pursuant to this section without regard to the limitation on passthroughs adopted in Section 30 of the Franchise Amendments. enhancing facilities and support for PEG channels provided that no such amendments shall become effective until approved by at least will be decided by arbitration.

SECTION 29.1: Unilateral Amendments Enhancing Facilities and Support for PEG Channels
Unilateral amendments recommended by the Telecommunications Commission that expand the Grantee's obligations to

ROAD OF STIPERVISORS

Summary of New Sections 24 through 32 in Franchise Agreement Pending before the Budget Committee (Continued)

SECTION 30: Benefits Not Franchise Fees / Limitation on Subscriber Passtbroughs.

Grantee expenditures required to perform obligations under the Franchise Agreement shall not be offset or credited against any franchise fee payments due to the City during the term of this Franchise Agreement

The Grantee agrees that no expenditure or increase in expenditures required to perform any of the obligations set forth in Sections 24 through 24.7, in subsections (a), (b), (c) and (d) of Section 27.2 and in Section 28 of the Franchise Amendments, shall be passed through to Subscribers or itemized on Subscriber bills with the exception of any expenditure resulting from unilateral amendments adopted pursuant to Section 29.1, exceed \$.0.40 per Subscriber per month over the remaining term of the Franchise Agreement,

SECTION 31. Miscellaneous Provisions

Amendments, or the failure to modify or modernize any provision of the Franchise Agreement in the Franchise Amendments, as a waiver of any claim or defense arising from any change in law between the date on which the Franchise was originally granted and the This section states that the City and the Grantee disagree over their relative rights and obligations under certain provisions of this Franchise Agreement due to changes in law subsequent to the original grant of the Franchise. It adds that the City and the Grantee agree that neither or them shall rely on, nor shall any court or administrative body consider, the execution and performance of the Franchise Date of the Franchise Amendments.

This section also states that the Franchise may have created a possessory interest subject to property taxation, and the Grantee agrees to pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the interest created by the Franchise Agreement.

the Federal Government with respect to the Presidio) that such superior governmental entity is a franchising authority under Federal law Lastly, the Grantee will be required to work with the City to extinguish any claim by any superior governmental entity (meaning Grantee would be allowed to offset fees actually paid to the superior governmental entity from local franchise fees.

SECTION 32, Definitions

This section contains definitions of terms used in this amended ordinance.

	A technical 1, page 15 of 15
Appendices in Existing Franchise Agreement	Appendices in Franchise Agreement Pending before the Budget Committee
Appendix 1: Facilities, Studio Size and Office Space for production and playback of public access programs.	Appendix A: Public Buildings to be Wired Within 6 Months
Appendix 2: Equipment and Signal/Image Quality Standards for public access channels.	Appendix B: Public Buildings to be Wired Within 12 Months
Appendix 3: Equipment for public access studios.	Appendix C: Public Buildings to be Wired Within 18 Months
Appendix 4: Maintenance and Repair of Equipment.	Appendix D: Public Buildings to be Wired After Line Extensions
Appendix 5: Hours of operation.	Appendix E: Preliminary San Francisco Cable System Rebuild: Hub Service Areas
Appendix 6: Staffing of access coordinators.	Appendix E: Map: Required Service Area and Required Expansion Areas
Appendix 2: Training for community users.	Appendix G: Public Access Equipment to be Transferred to Not-for-Profit Corporation
Appendix 8: Access Policy - access exclusively to City and County of San Francisco residents.	
Appendix 9: Availability of records and documents for inspection.	



Zane Blaney

Community TV Corp. Chair

Carole Roberts SF City College

Vice-Chair

Maria Agudelo

Public Interest

Sybil Boutilier

Public Interest

Michael Freeman

Public Interest

Sue Levitin Viacom Cable

Ed McBride

Public Interest

TELECOMMUNICATIONS POLICY COMMITTEE

An Advisory Committee Appointed by the Board of Supervisors to Represent the Public Interest in Telecommunications

Attachment 2 Page 1 of 4

November 19, 1996

The Honorable Barbara Kaufman President-elect, Board of Supervisors City and County of San Francisco 401 Van Ness Avenuc, Room 308 San Francisco, CA 94102

Reference: Amended San Francisco Cable Franchise

Dear Supervisor Kaufman:

The Telecommunications Policy Committee (TPC) is the citizen's committee appointed by the Board of Supervisors to advise you on public interest issues concerning the San Francisco Cable Franchise. The committee has voted to recommend changes in the Amended San Francisco Cable Franchise that should be considered before the franchise is approved. The TPC believes the changes are necessary to protect public and government interests. Although the committee has identified numerous areas where it believes changes would strengthen the franchise, it is recommend that you focus on the following:

1. Conduit and fiber optic provisions.

2. Consumer and government cable user discounts.

3. Funding for the Public, Education and Government PEG access channels.

4. PEG channel placement on the cable system and PEG program listings.

Enclosed for your information are the following:

1. Summary narrative concerning four primary recommendations.

2. Complete list of all recommended changes.

3. Technical Evaluation of Viacom Franchise Compliance.

3. Break out of cable operator provided grants for PEG.

4. Proposed funding needs by PEG entities.

5. Recent articles concerning TCI financial status.

Finally, the TPC is concerned about the financial status of TCI. Inc. Although there is no question TCI has experience operating cable systems, its ability to live up to all of the provisions of the amended franchise should be reviewed.

Members of the TPC will be contacting your office in the near future to discuss theses issues with you. Thank you for our time and attention.

Respectfully Submitted.

Zane Blaney, Chair

Telecommunications Policy Committee

Owen Scitel Attorney Enclosures

Byron Rhett Redevelopment Agency

c/o Community Television Corporation, Main Public Library, Civic Center, San Francisco, CA 94102

1. CONDUIT AND FIBER

A continuous underground conduit for dedicated use by city and county government is one of the most valuable resources any city and county can own. It is the infrastructure for fiber communications rings; Institutional Networks (I-Nets), Internet, internal phone and computer connections and television signal distribution. In addition, conduit, filled with strands of fiber optics, can provide leasing revenues for cities from telecommunications providers and other industries.

Cities, like Milpitas, CA and counties like Montgomery County, Maryland will have local government-owned fiber networks before the year 2000. They will save millions of dollars in phone and communications costs. They will also attract technology savvy business and industry that want to use the conduit or fiber. This will create jobs and be a potential government revenue boon

During the past sixteen years the City and County of San Francisco and Viacom Cable had the opportunity, through the cable franchise, to build a continuous underground conduit for the exclusive use of the City. This was never done. By one calculation, the City has spent over \$1,000,000 during the past sixteen years to lease underground conduit from Pac Bell because the City's conduit was never built.

This is to say nothing of the benefits the City could enjoy from the use of a fiber network in 1996. Such a network could connect all city departments and buildings with high speed data and telephone facilities. It could provide security in buildings and control traffic signals. There are a hundred and one uses for such a facility. The TPC believes that not having the conduit and fiber these many years has significantly delayed the City's ability to function in the information age. The City and County of San Francisco is largely unconnected, computer dysfunctional and unprepared for the new telecommunications environment.

The amended franchise once again calls for the construction of underground conduit, but the TPC believes there are too many restrictions on the use of the conduit. The franchise also prohibits the City from requiring an I-Net from the cable operator, a common franchise feature in many cities.

The TPC believes the conduit should be made available without restrictions providing the City's use does not compete with the cable operator or private industry. The City should have the right to lease the conduit and fiber capacity to the private sector where appropriate.

TCI, Inc. plans to rebuild the San Francisco cable system with 54 strands of fiber optics. It is anticipated that some of this fiber will be used to provide phone or telephony services. Most of this fiber will be unused or remain "dark." The cost of fiber is minimal. The TPC recommends that the cable operator be required to provide at least one strand of fiber for dedicated, unrestricted City and County use and that this be accomplished within the next three years.

2. DISCOUNT RATES

For Residents.

Section 26.1 provides for discounts from standard rates for people who "qualify for SSI benefits." This is too narrow a standard. Many technicalities can bar needy residents from qualifying for SSI benefits for a variety of reasons unrelated to their need for assistance. We must insure that all San Francisco residents have the opportunity to access the increasingly essential political, social and economic information provided by cable television. In San Francisco television reception is especially problematic due to the hilly terrain. Cable is the only means for reception of local broadcast television channels for many residents.

The TPC recommends that Section 26.1 should be rewritten so that discounts from standard rates will be provided to people "who are eligible for any Means Tested Federal, State or Local Income Maintenance Program including but not limited to SSI, Temporary Family Assistance, General Assistance or Refugee Assistance."

For Government:

Section 24.3 concerns additional cable services which may be purchased by the City from the cable operator. The TPC recommends that rates for services provided to the City should be below the commercial rates. In the same spirit as the Universal Access provision of the new Telecommunications Act of 1996, the following language should be adopted: "Which the grantee shall provide at a rate which should be discounted from the lowest commercial rate offered to any customer, including discount bulk and promotional rates available to any customer, or offered by any other entity providing services over the cable system."

2. PUBLIC, EDUCATION AND GOVERNMENT (PEG) ACCESS CHANNEL FUNDING

It is imperative that the City and the cable operator provide adequate funding to operate and equip the PEG channels. Historically these channels have been under-funded, under-used and poorly equipped. With the amended franchise the City has the opportunity to correct this situation.

Recently the TPC asked the PEG management entities to submit their equipment and operational needs for inclusion in this document. (See attached budgets and equipment requests) The TPC has not taken a position on the dollar amounts in the funding requests. The committee recommends that the Board of Supervisors hold a hearing, in the very near future, to review the PEG needs and make a determination as to the level of funding the PEG channels can expect through the year 2005.

The TPC believes the cable operator contributions for <u>PEG capital</u>, <u>PEG other and capital grants</u> (see enclosure) are adequate from the cable operator, however, these grants are not sufficient to cover the capital needs of the PEG channels through 2005. The TPC strongly recommends that the City supplement this contribution by increasing the percentage of its contribution for PEG support in Section 8 (g). The committee recommends that the City increase the 0.2% portion of the franchise fee to a level that will adequately supplement the funding of the cable operator for PEG capital.

The TPC does not believe that the proposed cable operator pass-through for <u>PEG operations</u> of less than \$.20 cents per subscriber, per month is sufficient and recommends that this should be increased to \$.40. This would provide \$7,862,400 over the next nine years for PEG operations support rather than the proposed \$3,876,000. The cost to subscribers would be \$4.80 per year or \$43.20 over the next nine years. The \$.40 is less than the \$.50 pass-through in Iowa City or the \$.65 pass-through in Salina, Kansas

Concerning subscriber pass-throughs, the TPC believes Section 29.1, allowing additional pass-throughs of PEG operating expenses by subscriber election only, is unacceptable. A current Federal Communications Commission (FCC) Commissioner, when asked about this process stated that it was inappropriate, suggesting that if an election on PEG pass-throughs were allowed, then subscribers should have the right to elect whether or not to approve *any* rate increase. In addition, this would place the cost and burden of conducting such an election on the City. This section should be deleted

3. PLACEMENT OF PEG CHANNELS

The relocation of the PEG channels on the cable system as allowed in Section 27 (f) causes confusion and loss of viewership. The original franchise required that public access be located on channel 25 and that local origination be on channel 6. Stable placement of the PEG channels on the cable system is vital to consistent viewership, especially since some subscribers only receive the first thirty six channels.

The TPC recommends that the franchise require that the PEG channels be place on specific channels within the first 36 channels. Changes in the channel placement should be allowed only with Telecommunications Commission approval when the changes are necessary for technical or regulatory reasons.

In addition, program listings for PEG channels are not included in most public program listings. As a result, it is difficult for viewers to know which programs are available on the PEG channels. The TPC recommends that Section 27 (f) should also require that all PEG channel program listings be included in any customer notifications or advertisements of listings which describe or list programming on 50% of carried channels.

MINUTES

FINANCE COMMITTEE **BOARD OF SUPERVISORS** CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, JANUARY 29, 1997 - 1:00 P.M.

VETERANS BUILDING 401 VAN NESS AVENUE **ROOM 410**

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

DOCUMENTS DEPT

Present: Supervisors Leal, Brown Absent: Supervisor Kaufman

SEP 1 1 2000

Meeting Commenced: 1:05 p.m.

PUBLIC LIBRARY

GENERAL

File 28-96-12. [Emergency Repair, Pier 70 Drydock Oil Spill] Resolution 1. approving a declaration of emergency for contractual assistance in assessing damages from the Cape Mohicon oil spill incident at Pier 70, Port of San Francisco in the amount of \$42,000. (Port Commission) (Consideration continued from 01/22/97)

SPEAKERS: Veronica Sanchez, Manager Governmental Affairs, Port

ACTION: Hearing held. RECOMMENDED.

FEES

2. File 118-96-8. [Public Health License Fees] Ordinance amending the Health Code by amending Sections 258, 451, and 609 relating to license and reinspection fees for the Department of Public Health. (Department of Public Health)

SPEAKERS: Dr. Larry Meredith, Department Public Health/DMS/CSAS;

Helen Hobbs -OPPOSED; Katherine Harrington, Harrington

Bar and Grill -OPPOSED

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE

FEBRUARY 12, 1997 MEETING.

File 127-96-10. [Public Health License Fees] Ordinance amending Part III of 3. the San Francisco Municipal Code (Revenue and Finance) by amending Sections 35, 120, 248, 249.1, 249.7 and 249.13 relating to fees for licenses or permits for inspections by the Department of Public Health. (Department of Public Health)

SPEAKERS: Dr. Larry Meredith, Department Public Health/DMS/CSAS;

ACTION: Hearing held. AMENDED. CONSIDERATION CONTINUED TO

THE FEBRUARY 12, 1997 MEETING AS AMENDED. Amend page 5, Line 22, by deleting "greater than \$1,000 --

-Fee \$358".



911 COMMUNICATIONS CENTER

4. File 216-95-1.2. [Combined Emergency Communications Center] Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) a subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC shall be constructed; and amending Section 6 of the Ordinance No. 80-96 to provide an elevation adjustment to allow for the construction of the underground parking structure for CECC. (City Administrator) (COMPANION TO FOLLOWING FILES)

SPEAKERS: Steve Agostini, Mayor's Finance Director

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE FEBRUARY 5, 1997 MEETING.

File 170-96-10. [Lease Financing for 911 Center] Ordinance rescinding 5. Ordinance 208-94 (Citywide Radio System Lease Financing); approving a site lease agreement between the City and County of San Francisco ("CITY"), as lessor, and the City and County of San Francisco Finance Corporation ("CORPORATION"), as lessee, relating to a portion of Assessor's Block 759, Lot 1, known as the Margaret S. Hayward Playground ("SITE"); approving a project lease agreement between the CORPORATION, as lessor, and the CITY, as lessee, of the 911 Dispatch Center to be constructed on the site (including certain indemnification provisions therein); approving an Agency Agreement between the CORPORATION and the CITY with respect to a 911 Dispatch Center to be used for City purposes; approving the issuance of Lease Revenue Bonds of the CORPORATION; approving a continuing Disclosure Agreement relating to said bonds; approving the circulation, execution and delivery of an Official Statement relating to said bonds; and providing for the execution of documents in connection with and ratifying previous actions taken in connection with the foregoing matters. (City Administrator) (COMPANION TO PRECEDING AND FOLLOWING FILES)

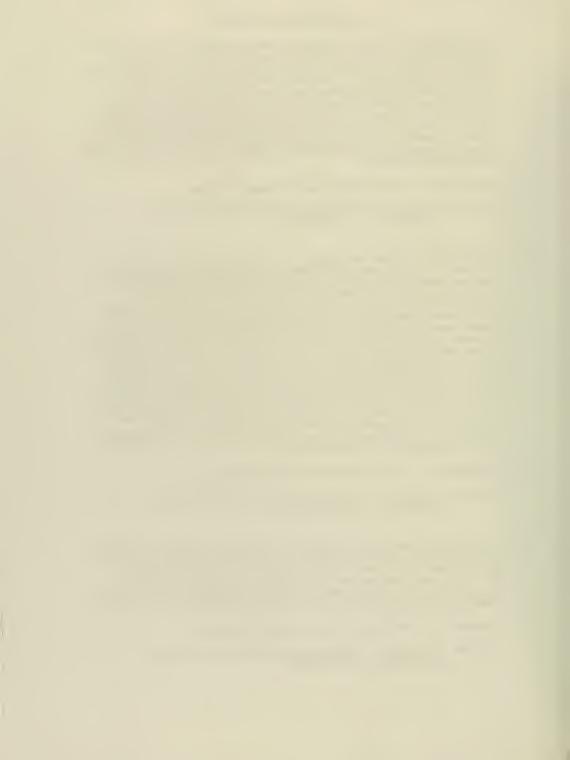
SPEAKERS: Steve Agostini, Mayor's Finance Director

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE FEBRUARY 5, 1997 MEETING.

6. File 127-97-1. [Emergency Response Fee Amendments] Ordinance amending the Municipal Code, Part III, Article 10A by amending Sections 751, 752 and 756 to increase the estimate of total project costs from \$57,851,000 to \$67,153,821 and to increase the cap on project costs eligible to be paid from emergency response revenues from \$49 million to \$60 million. (City Attorney) (COMPANION TO THE PRECEDING AND FOLLOWING FILE)

SPEAKERS: Steve Agostini, Mayor's Finance Director

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE FEBRUARY 5, 1997 MEETING.



7. File 101-96-41. [Appropriation, Department of Telecon, munications]
Ordinance appropriating \$17,680,000, Department of Telecommunications, of
Lease Revenue Bond proceeds for the construction of a Combined Emergency
Communications Center (CECC), and to provide the Department of
Administrative Services, City Attorney and Controller with costs of issuance
for fiscal year 1996-97; placing the funds on reserve. (Controller) RO #96196
(COMPANION TO THE PRECEDING FILES)

SPEAKERS: Steve Agostini, Mayor's Finance Director

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE FEBRUARY 5, 1997 MEETING.

GENERAL

8. <u>File 93-96-33</u>. [Grievance Settlement, Local 21] Ordinance implementing settlement of a grievance filed pursuant to the Memorandum of Understanding between the City and County and the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 providing for a step increase for provisional employees to be effective for the period July 1, 1995 through June 30, 1998. (Supervisor Ammiano)

SPEAKERS: Geoffrey Rothman, Manager Operations Division, Department

of Human Resources

ACTION: Hearing held. RECOMMENDED.

<u>VOTE ON ALL ITEMS WAS 2 – 0, WITH SUPERVISOR KAUFMAN ABSENT FOR ENTIRE MEETING.</u>

Meeting Adjourned: 1:35 p.m.



Attn: Kate Wingerson

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

January 24, 1997

TO:

Finance Committee

DOCUMENTS DEPT.

FROM:

Budget Analyst Recommendation for reading of

JAN 28 1997

SUBJECT: (January 29, 1997) Finance Committee Meeting

SAN FRANCISCO PUBLIC LIBRARY

Item 1 - File 28-96-12

Note: This item was continued by the Budget Committee at its meeting of

January 22, 1997.

Department:

Port

Item:

Resolution approving a declaration of emergency for contractual services to assess damages from the Cape

Mohicon oil spill incident at Pier 70.

Amount:

\$42,000

Source of Funds:

Port Operating Fund

Description:

According to Ms. Roberta Jones, Environmental, Health and Safety Manager with the Port, on October 28, 1996, a ship, which was docked at Pier 70, released approximately 80,000 gallons of a mixture of heavy bunker oil and diesel oil into the drydock and an undetermined amount of oil flowed off the drydock into the San Francisco Bay.

Due to the potential adverse impacts to the ecology and to its facilities, the Port declared an emergency on November 5, 1996, and authorized an expenditure of \$35,000 to fund the

assessment.

Memo to Finance Committee January 29, 1997

According to Ms. Jones, the Port needed to document the impact of the oil spill on its facilities and ecologically sensitive areas in order to 1) provide information for potential claim purposes, and 2) to determine whether dredge disposal procedures would require modification. Immediate action was required from an outside consultant to respond to this emergency.

In accordance with Section 6.30 of the Administrative Code, the Port initiated expedited contract procedures on November 5, 1996. A contract was awarded to Levine Fricke/Recon to perform the assessment (see Attachment).

Comments:

- 1. According to Ms. Jones, Levine Fricke/Recon commenced the assessment services on November 11, 1996, and the work was completed on January 24, 1997.
- 2. Ms. Jones advises that based on the most recent billing received by the Port, Levine Fricke/Recon had performed a total of 275 hours of labor on the oil spill assessment, at an average hourly rate of \$119.45, for a total labor cost of \$32,849. Additional non-labor costs of \$7,600 have also been incurred for a total of cost \$40,449. The Port advises that total costs at completion of the oil spill assessment will not exceed \$42,000.
- 3. The Attachment to this report is a memorandum from Ms. Jones documenting the procedure used by the Port to contract with Levine Fricke/Recon.

Recommendation: Approve the proposed resolution.

Port of San Francisco MEMORANDUM

DATE:

January 17, 1997

TO:

Stan Jones

Budget Analyst's Office

FROM:

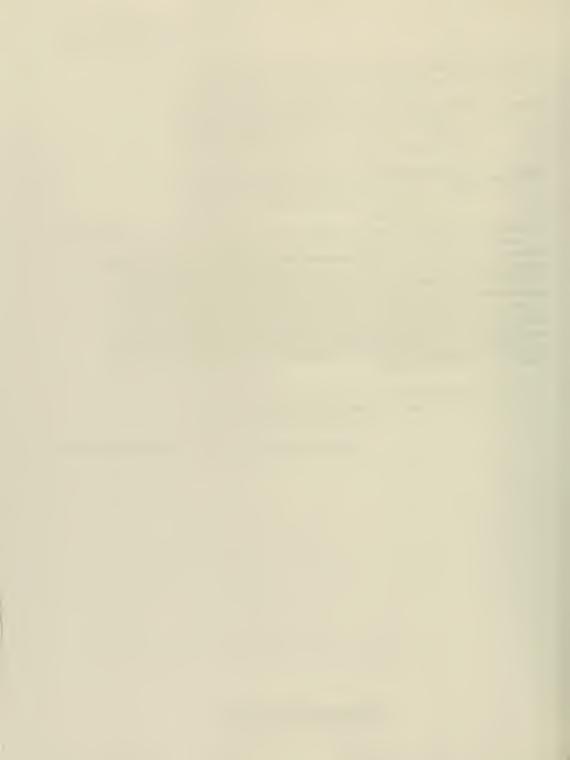
Roberta Jones

Port

RE:

Levine-Fricke Contract

Pursuant to your request, I am writing to confirm that I contacted all available MBE/WBE firms that appeared that they might have expertise in oil spill damage assessment before I called any non-MBE/WBE firms, but I determined, after making these calls, that none of the listed firms actually had this type of experience. I then began to contact non-MBE/WBE firms that I knew had experience in oil spill damage assessment. The first firm I contacted, Entrix in Walnut Creek, was unable to perform the work because of a conflict of interest (San Francisco Drydock, the responsible party, had already retained them). I contacted Levine-Fricke as a second choice. Levine-Fricke is also very qualified to do this work and had experience working on documenting damage in the Exxon Valdez Oil Spill.



Memo to Finance Committee January 29, 1997 Finance Committee Meeting

Items 2 and 3 - Files 118-96-8 and 127-96-10

Department:

Department of Public Health (DPH)

Items:

File 118-96-8: Ordinance amending Sections 258, 451 and 609 of the Health Code relating to license and reinspection fees for the DPH.

File 127-96-10: Ordinance amending Sections 35, 120, 248, 249.1 and 249.7 of the Revenue and Finance Code relating to fees for license or permits for inspections by the DPH.

Description:

The DPH Bureau of Environmental Health Management (BEHM) includes a Consumer Protection Division, which handles the inspection of establishments by the DPH, and a Toxics Division, which handles the oversight of businesses that produce, store or use hazardous materials or hazardous waste. In August of 1996 the Board of Supervisors authorized the DPH Bureau of Environmental Health Management (BEHM) to consolidate nine separate offices throughout the City into one centralized location at the Fox Plaza, 1390 Market Street. As a result, the Board of Supervisors approved a new lease for the centralized BEHM offices.

The additional cost of that lease, above the previous lease costs for the BEHM, is \$363,654 per year. In FY 1996-97, the additional cost will be \$276,428, because the relocation did not occur until December 1, 1996. The proposed ordinances would amend the City's Health Code (File 118-96-8) and the Revenue and Finance Code (File 127-96-10) to increase various filing, inspection and license fees to partially cover the increased lease costs.

The proposed ordinance amending the Revenue and Finance Code (File 127-96-10) would increase the filing fee charged by the DPH for a first-time inspection requested by a firm or required as a condition of the issuance of a first permit or license, from \$166 to \$174 (an increase of \$8). The charge for inspection services provided by the DPH pursuant to a permit or license or application, or by request of an establishment, would be raised by \$4 per hour, from \$85 per hour to \$89 per hour. The proposed changes to annual license fees are summarized in the Attachment to this report.

In addition to raising overall projected revenues, the proposed amendments to the Health Code and the Revenue and Finance Code would also change the basis for calculating the fees charged to food establishments. Under the current Revenue and Finance Code, annual license fees for food product and food marketing establishments (which are

businesses that handle, manufacture or sell food) are based solely on the value of the inventory held by the establishment, while most food preparation and food services establishments (which are businesses that prepare and service food) are charged \$510 in annual license fees. The proposed amendments would establish a range in the fees charged to food establishments, based on the size of the establishment and the type of establishment. See the Attachment to this report for the specific proposed license fees that would change under the proposed ordinances.

The proposed amendments to the Health Code (File 118-96-8) generally provide <u>definitions</u> for the types of food establishments that would be subject to specific license fees under the proposed amendments to the Revenue and Finance Code (File 127-96-10) described above. The proposed amendments to the Health Code would also raise the fee for reinspection by the DPH pursuant to identification of a code violation in a previous inspection (see Attachment).

Comments:

- 1. The Attachment provided by Mr. Jack Breslin of the BEHM shows the current and the proposed fees for those categories of BEHM fees that would change under the proposed ordinances (Files 118-96-8 and 127-96-10), as well as the amount of the proposed fee increase and the projected new revenue from each fee. Mr. Breslin advises that the revenue projections are based on application of the proposed new fees to the inventory of firms currently licensed by the DPH. The Budget Analyst concurs with these projections.
- 2. Mr. Breslin estimates that the subject proposed fee increases would generate approximately \$278,666 annually, which, when added to the annual revenues of \$4,395,245 collected from the existing fee structure, would result in total annual revenues of \$4,673,911.
- 3. While this proposed fee increase would cover estimated increased lease costs for FY 1996-97, in future years there would be an estimated shortfall of approximately \$84,988 (\$363,654 less \$278,666) needed to cover the DPH Bureau of Environmental Health Management's increased lease costs without requiring additional General Fund support. Mr. Breslin states that the BEHM Toxics Division will submit a separate proposed fee increase package to the Finance Committee at a later date that would be designed to close the remaining estimated shortfall of \$84,988.
- 4. The Budget Analyst recommends that Line 22, Page 5 of the proposed ordinance amending the Revenue and Finance Code (File 127-96-10) be deleted, in order to clarify the

proposed license fee changes. That section of the proposed ordinance was intended to establish that food product and marketing establishments with an inventory of food valued at less than \$1,000 should pay a license fee of \$50. However, Line 22 states that food product and marketing establishments with an inventory of food valued above \$1,000 should pay a license fee of \$358. According to Mr. Breslin, the intent was to limit the license fee for establishments with a limited inventory of food, but to establish license fees for all other establishments based on their size and type, as specified elsewhere in the proposed ordinance. Therefore, Mr. Breslin concurs with the Budget Analyst's recommendation to delete Line 22. Page 5 of this subject proposed ordinance. Deletion of Line 22, Page 5 will clarify that, for food product and marketing establishments having food inventories valued over \$1,000, the annual license fee will depend upon the size of the establishment, whether or not food is prepared on site, and the nature of the establishment (e.g. retail bakery, produce stand, etc.), and the fees will be determined according to the schedule shown in the Attachment to this report.

- Recommendations: 1. Amend the proposed ordinance (File 127-96-10) to delete Line 22 of Page 5, which states: "greater than \$1,000...Fee \$358," for purposes of clarification.
 - 2. Approve the proposed ordinance (File 127-96-10) as amended, and approve the proposed ordinance (File 118-96-8).

FEE ADJUSTMENTS - 1996

		Existing/New		New
Inventory	Establishment Type	Fee/ Fee	Increase	Revenue
338	Restaurants (<500 sq ft)	\$510/525	(15)	\$ 5,070
1012	(501-1000)	510/548	(38)	38,456
1035	(1001-2000)	510/555	(45)	46,575
944	(>2000)	510/563	(53)	50,032
			Subtotal	\$140,135
373	Bar/Tavern	510/535	(25)	9,325
258	Take out	510/535	(25)	6,450
24	Fast food	510/580	(70)	1,680
18	FP&S (non-fee)	••	•	
_	FP&S (special event) application	50/85		
	lst day	25/50		
	2nd day	20/30		52,774
26	Catering facilities	510/535	(25)	650
1	Temporary facilities	63/85	(22)	22
	Food demos	0/85	(85)	
5	Mobile food prep unit	389/408	(19)	95
17	Commissary	510/535	(25)	425
52	Retail food vehicles	389/408	(19)	988
58	Pushcart (private property)	387/406	(19)	1,102
81	Startium concession (permanent)	373/391	·(18)	1,458
28	Vending machines	63/66	(3)	84
6	Bed and breakfast	510/535	(25)	150
12	Boarding house	123/129	(6)	72
11	School cafeteria (private)	186/195	(9)	99
4	Hospital kitchen	510/580	(70)	280
				\$75 CEA

Inventory	Markets	New Fees	Increases	
0	Food Salvaging	0		
191	Candy (<900)	\$ 47/50	(2)	\$ 382
58	Candy (>900)	341/358	(17)	986
Retail Food	Market w/o Preparation			
739	(<5000 sq ft)	341/348	(7)	5,173
64	(<10,000 sq ft)	341/355	(14)	896
26	(<20,000 sq ft)	341/362	(21)	546
18	(>20,000 sq ft)	341/369	(28)	504
Retall Food	Market with Preparation			
554	(<5000 sq ft)	341/355	(14)	7,756
8	(<20,000 sq ft)	341/375	(34)	272
21	(720,000 sq ft)	341/382	(41)	861
	(,20,000 04 1)	3.4,302	(*-/	001
Retall Bake	жу			
78	(<2000)	341/354	(13)	1,014
31	(>2,000)	341/361	(20)	620
13	Produce Stand	341/358	(17)	221
4	Certified Farmers Market	341/348	(17)	68
*	Certified Farmers Market	5411546	(17)	08
Wholesale 1	Food Market			
29	(Produce)	341/358	(17)	493
27	(Bakery)	341/358	(17)	459
22	(Meat)	341/358	(17)	374
39	(Flsh)	341/358	(17)	663
18	(Processed food)	341/358	(17)	306
2	(Confections)	341/358	(17)	34
106	(Other)	341/358	(17)	1,802
56	Food Manufacturing/Processing	341/358	(17)	952
				\$24,382

MISCELLANEOUS

Inventory				
17 65	Laundry Hand Wash	\$ 49/51 105/110	(2) (5)	34 325
307	Auto	16/17	(1)	307
11,003	Machines	5/mach/6	(1)	\$11,669
	Swimming Pool			
128	(year-round)	243/255	(12)	1,536
11	(6-month)	209/219	(10)	110
				\$ 1,646
	Pet Shop			
	Kennel			
	Stable			
	Riding Academy Pet Hospital			_
724	Wells and Well water	42/44	(2)	1.448
77	Certified Backflow Tester	78/		-
	Decal/cross connection		-	
21	Massage parlor/tattoo parlor	100/105	(5)	105
	Plan Check	05100	(4)	10.004
	Monitoring wells	85/89	(4)	12,384
	Complaint investigation	60/63 per hr	(3)	1,635
1201	Application fee	160/174	(8)	9,608
•	w			
		Total New	Revenues	\$278,666

Memo to Finance Committee January 29, 1997 Finance Committee Meeting

Items 4 - Files 216-95-1.2

Note: This item was continued by the Budget Committee at its meeting of

January 15, 1997.

Item: Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground,

Assessor's Block 759, Lot 1, consisting of the following: (1) A subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC is to be constructed; and amending Section 6 of Ordinance No. 80-96 to provide an elevation adjustment to Assessor's Block 759, Lot 1 (the "Hayward Playground"), to allow for the construction of the underground parking structure for the

CECC.

Description:

The City and County of San Francisco is planning to consolidate its emergency services communications functions in the Police Department, Fire Department, Department of Public Health, Paramedic Division, Department of Parking and Traffic, and the Mayor's Office of Emergency Services into a Combined Emergency Communications Center (CECC), scheduled to be completed in 1999. The CECC will house the 911 emergency call-taking activities, and the combined dispatch of Police, Fire, Emergency Medical, and Traffic Control operations.

Findings

The Board of Supervisors, pursuant to Section 6a of Article XIV of the 1898 and 1929 Charters, Sections 11.101 and 11.102 of the 1932 Charter, and Section 18.01 of the 1996 Charter, has the authority to select and set aside, by ordinance, real property in the Hayward Playground, formerly known as Jefferson Square, for the construction of buildings and related improvements to serve as a central communications center to allow for effective responses to City-wide emergencies.

By Ordinance No. 80-96, dated March 3, 1996, the Board of Supervisors found that the construction and operation of the new CECC is a use for which real property in the Hayward Playground may be set aside under the Charter. Because the present Central Fire Alarm Station and the Interim Emergency Command Center Site must remain operational during the construction period of the new CECC, the Board of

Supervisors allocated other real property in the Hayward Playground for construction of the new CECC.

By Ordinance No. 80-96, the Board of Supervisors also determined that upon completion of the CECC, the existing Central Fire Alarm Station and the interim Emergency Command Center would be demolished and replaced with certain recreation facilities. The Board further determined that jurisdiction of the recreation facilities site would be transferred to the City's Recreation and Park Commission upon completion of the new recreation facilities, except for the subsurface area which would be retained by the Department of Telecommunications and Information Services.

In selecting and setting aside the additional property for the CECC, the Board of Supervisors established the policy that any further set-aside of Hayward Playground property could only be for boundary adjustments or for other reservations of subsurface space that may be necessary for the design, construction, or operation of the CECC and do not significantly interfere with the recreation purposes of such property.

In designing the CECC, the Bureau of Architecture of the Department of Public Works has determined the following:

- 1. The existing sewer line servicing the Central Fire Alarm Station and Emergency Command Center is inadequate for the new CECC building and will need to be replaced with a new subsurface sewer line to be located closer to the CECC.
- 2. The underground parking structure to be constructed for the CECC building, consisting of 57 parking spaces, will need to be at its highest point two feet above the existing floor slab in the Central Fire Alarm Station.
- 3. The underground parking structure will require an emergency right-of-way for ingress and egress to and from Octavia Street.
- 4. An aerial encroachment area is necessary for overhangs and building movement over the southern boundary of the property.

The Recreation and Park Department has reviewed the proposed property and boundary adjustments and

determined that they do no significantly interfere with the recreational purposes of the property.

Effects of Proposed Ordinance

The proposed ordinance would (a) amend Section 6 of Ordinance No. 80-96, as described in point number one below, (b) effect adjustments to the area set aside for the CECC at the Hayward Playground, as described in point numbers two, three, and four below, and (c) establish property jurisdictions, as described in point number five below.

- 1. Section 6 of Ordinance No. 80-96 would be replaced in its entirety. Pertinent changes are as follows:
 - a. Reference to the total demolition of the present Central Fire Alarm Station and the Interim Emergency Command Center is changed to the demolition of only the first story of those two existing buildings. (The structures below the first stories of the two buildings include communications vaults and other facilities that the City wishes to retain).
 - b. Reference to the right of the Department of Telecommunications and Information Services to use the area below the new recreation improvements is changed to the area commencing at two feet above the existing first floor slab of the Central Fire Alarm Station. (The additional two feet would provide space for the construction of a new roof and new roof structure).
 - c. Reference to the Real Estate Department Map No. 2 is changed to the "Site Map." The proposed ordinance further specifies that the abovereferenced "Site Map" is the map filed with this proposed ordinance (the Attachment) and not the map filed with Ordinance No. 80-96.
- 2. The subsurface area shown in the Site Map (see "New Sewer Line" in the "Attachment") for the purpose of installing, operating, and maintaining an underground, ten-foot wide, sewer line to service the CECC would be set aside.

Memo to Finance Committee
January 29, 1997 Finance Committee Meeting

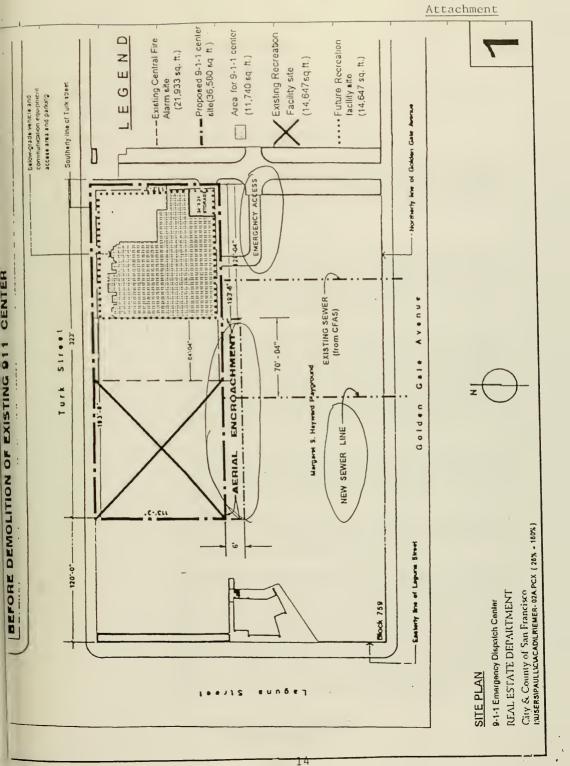
- 3. The area designated on the Site Map (see "Emergency Access" in "Attachment") for the purpose of installing, operating, and maintaining a vehicular emergency right-of-way for ingress and egress to and from Octavia Street would be set aside.
- 4. The area necessary to allow for an encroachment area extending no more than 72 inches for overhangs and movement of the CECC over the southerly boundary of the property would be set aside (see "Aerial Encroachment" in "Attachment"), provided that the overhang encroachment does not interfere with existing structures.
- 5. All of the areas selected and set aside by this proposed ordinance would be under the jurisdiction of the Department of Telecommunications and Information Services, successor to the Department of Electricity and Telecommunications. Further, all areas selected and set aside under Ordinance No. 80-96 and formerly placed under the jurisdiction of the Department of Electricity and Telecommunications would be under the jurisdiction of the Department of Telecommunications and Information Services.

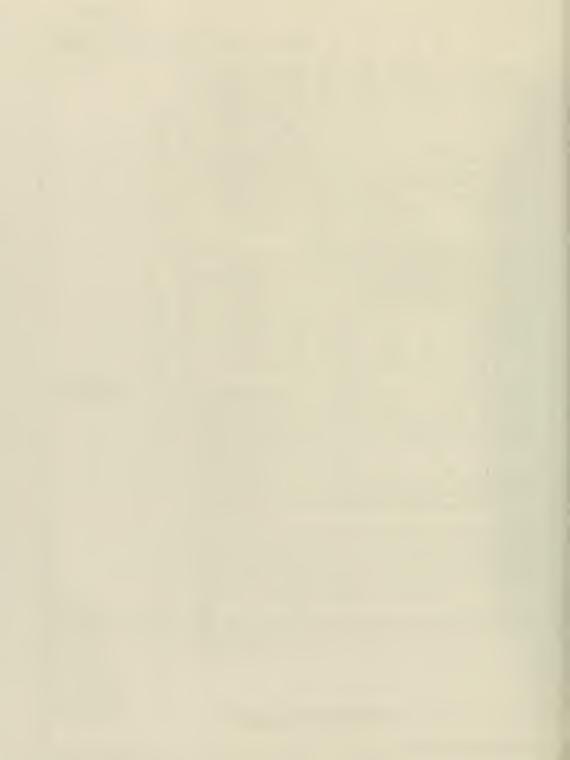
Comments:

- 1. According to Mr. Paul Travis of the Bureau of Architecture, the cost of the proposed new sewer line is estimated to be \$30,000 and the cost of the proposed vehicular emergency right-of-way for ingress and egress is estimated to be \$20,000, which would be funded using 911 Dispatch Center Project funds.
- 2. This Item, File 216-95-1.2, is a companion to Item No. 5, File 170-96-10, which is also on the Finance Committee calendar for the meeting of January 29, 1996.
- 3. In summary, the proposed ordinance would set aside certain real property in the Hayward Playground required by engineering refinements made by the Bureau of Architecture. The proposed property to be set aside would not, according to the Recreation and Park Department, significantly interfere with the recreational purposes of the property.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Memo to Finance Committee January 29, 1997 Finance Committee Meeting

Items 5 and 6 - File 170-96-10 and 127-97-1

Note: Item 5, File 170-96-10 was continued by the Budget Committee at its

meeting of January 15, 1997.

Department: Department of Administrative Services

File 170-96-10: Proposed ordinance to authorize lease Item: financing in an aggregate principal amount not to exceed \$25.0 million to finance the construction of the Consolidated Emergency Communications Center (CECC), also referred to as the 911 Dispatch Center.

The proposed ordinance would:

- rescind a prior ordinance that created a master lease for both the Citywide 800 Megahertz Radio System and the 911 Dispatch Center (ordinance No. 208-94) so that separate project leases and financing can be established for the new 911 Dispatch Center alone;
- approve lease agreements between the San Francisco Finance Corporation and the City for the construction of the 911 Dispatch Center and the leasing of the completed 911 Dispatch Center by the City (the San Francisco Finance Corporation is a non-profit organization established for purposes of issuing and managing various forms of bonded or lease-backed debt for equipment and facilities that are lease-purchased by the City);
- approve the issuance of lease revenue bonds by the San Francisco Finance Corporation for the construction of the 911 Dispatch Center and a continuing disclosure agreement related to the bond issuance; and,
- approve an Official Statement related to the issuance of lease revenue bonds and the execution of documents in connection with the matters described above.

File 127-97-1: Proposed ordinance amending the Municipal Code, Part III, Article 10A to increase the estimate of total projects costs for which 911 Emergency Response Fee Revenue can be used for the 911 Dispatch Center from \$57.851.000 to \$67.153.821 and to increase the cap on 911 Emergency Response Fee revenue from \$49.0 million to \$60.0 million. The 911 Emergency Response Fee is the \$.50 per month per phone line fee on residential and commercial telephone users in San Francisco that will provide partial funding for the entire 911 Dispatch Center project.

Description:

Total project costs for the 911 Dispatch Center are now an estimated \$71,184,821, including \$67,153,821 in costs that can be partially offset (in the amount of approximately 82 percent) by the 911 Emergency Response Fee revenue, and \$2,031,000 in Community Mitigation Costs plus \$2,000,000 in Information System costs that cannot be included in the total costs that can be offset by the 911 Emergency Response Fee revenue. The \$71,184,822 total includes total debt service of approximately \$51.0 million on a bond principal amount of approximately \$35 million.

The current total project cost estimate of \$71,184,821 exceeds previously reported estimates of \$59.975.947 million by \$11,208,874. Therefore, the Department of Administrative Services is requesting approval of the proposed amendment to the 911 Emergency Response Fee ordinance to increase the cap on total revenues that can be collected by \$11.0 million, from \$49.0 million to \$60.0 million. Such an increase would permit collection of additional fee revenue in order to avoid the necessity for an increase in General Fund costs for the project (see Comment 3). Also, the 911 Emergency Response Fee ordinance would be amended to permit the use of alternative funding sources without reducing the amount of 911 Emergency Response Fees that could be collected. Under the existing ordinance, use of such alternative funding sources would reduce the total 911 Emergency Response Fees that could be collected on a dollar for dollar basis.

The amount of this first proposed lease revenue bond issuance shall not exceed \$25.0 million (actual issuance amount is anticipated to be \$23,750,000), the proceeds of which will be used for construction of the 911 Dispatch Building at the Margaret S. Hayward Playground site (in the block bounded by Golden Gate Avenue, Gough Street, Turk Street and Laguna Street). A subsequent bond issuance in the amount of approximately \$10.0 million for Mobile Computing Terminals (MCTs), Automated Information System (AIS) records management hardware, and Computer Aided Dispatch (CAD) hardware is expected to be requested in approximately June, 1998.

As previously noted, this initial bond issuance of \$23,750,000 is intended to provide funding for the construction of the 911 Dispatch Center building. The projected estimated sources and uses of the bond proceeds for this initial issuance are shown in the table on the following page. (See Comment 1 for a presentation of the revised total project costs of \$71,184,821).

Sources and Uses of Lease Revenue Bond Proceeds - Initial Issuance

Sources Initial Lease Revenue Bond Proceeds	\$ 23,750,000
<u>Uses</u>	
Construction Fund	17,330,000
Capitalized Interest	3,579,143
Debt Service Reserve Fund	1,998,516
Underwriters Discount	237,500
Cost of Bond Issuance	350,000
Bond Insurance	233,665
Working Capital and Contingency	21,176
Total Uses	\$ 23,750,000
Total Debt Service - Initial Issuance	\$ 38,615,292
Average Debt Service Over 25 Years Including Capitalized Interest (estimated maximum interest rate of 6.15%)	\$ 1,544,612

The \$17.33 million amount shown in the table above for the Construction Fund will be augmented by unspent General Obligation Bond funds in the amount of \$2.1 million (previously appropriated for Fire Department Capital Projects) and pay-as-you go funding in the amount of approximately \$4.8 million from the collection of 911 Emergency Response Fee funds, for total construction costs of \$24,273,100.

As discussed in detail in Comment 1, the construction costs are a portion of the estimated total project costs of \$71,874,821.

Total sources and uses for the construction of the 911 Dispatch Center building are shown in the table on the following page.

BOARD OF SUPERVISORS
BUDGET ANALYST

17

911 Dispatch Center Building Construction Project

<u>Sources</u>	
Lease Revenue Bond Construction	\$ 17,330,000
Fund	
General Obligation Bonds	2,100,000
911 Fee - Pay as You Go	 4,843,100
Total Sources	\$ 24,273,100
<u>Uses</u>	
Project Management	\$ 1,227,500
City Planning, Environmental	133,000
Programming Planning	112,500
Project Outreach/Art Enrichment	180,000
Temporary Basketball Courts	339,500
Design and Construction Documents	1,185,000
Permit Review	225,000
Building Construction	15,840,000
Construction Management,	
Architectural and Engineering	1,490,000
Services	1,490,000
Permanent Courts/Parking Expansion	2,641,600
Design and Construction	
Hazardous Materials Abatement	50,000
Furniture, Fixtures & Equipment	 849,000
• • •	
Total Uses	\$ 24,273,100

Item 7, File 101-96-41, for which a separate Budget Analyst report follows this report, is a proposed supplemental appropriation of bond proceeds totaling \$17,680,000 (the \$17,330,000 for the Bond Construction Fund shown above and \$350,000 in Bond Issuance costs shown in the table on the previous page.

As will be addressed in the Comment Section on the following pages, the total construction cost of \$24,273,100 shown above, which is the second revised cost estimate, is approximately \$5.1 million more than the \$19.2 million first revised construction cost estimate provided to the Budget Committee in February, 1996. Furthermore, the \$19.2 million estimate of February, 1996 was approximately \$6.0 million greater than the original construction cost estimate of \$13.2 million. Overall, the cost estimate has increased by nearly 84 percent, or \$11,073,100 (\$24,273,100 less \$13,200,000 since the original cost estimate was prepared).

Reasons provided by the Department of Public Works at the time of the first revision to the cost estimate from \$13.2 million to \$19.2 million (1) inflationary increases in the cost of construction; (2) expansion of the facility from the original plan of 28,000 square feet to 35,000 square feet; (3) errors in the original estimation of the cost of building the temporary and permanent basketball and volleyball courts; (4) various items related to seismic hardening of the building, provision of emergency generators and an uninterrupted power supply. that have been determined to be necessary following consultation with other jurisdictions that have recently completed construction of similar facilities; (5) the need for bullet proof glass in the facility; and (6) improvements to ventilation and the need for backup heating, ventilation and air conditioning systems and the necessity to construct a separate access for electric wiring and other mechanical systems.

The Department of Public Works project manager, Mr. Michael Quan, has stated that the first revised construction cost estimate of \$19.2 million did not anticipate increasing costs for steel and other materials, as evidenced by the recently received competitive bids for the project. Also, due to the large number of public works projects now being undertaken in the City, at the Airport, and in the Bay Area few bidders participated in the process for the 911 Dispatch Center building. Additional increased costs were caused by seismic strengthening of the foundation and the need for increased onsite inspection during construction to prevent cost overruns. These factors combined resulted in the present second revised construction cost estimate of \$24.3 million.

Comments:

1. The table on the following page shows that the current total project cost estimate for the 911 Dispatch Center is now \$71,184,822, or \$11,208,875 more that the February, 1996 total project cost estimate of \$59,975,947.

Included in the net increase of \$11,208,875 are additional interest costs of \$12,563,864 which would be incurred because the bond debt for the building construction will be amortized over a period of 25 years instead of the original plan of 10 to 13 years. According to Ms. Laura Wagner-Lockwood of the Department of Administrative Services Public Finance Division, the City Attorney's Office found that the shorter amortization period of 10 to 13 years resulted in annual lease payments to the San Francisco Finance Corporation that would have exceeded reasonable estimates of the fair market rent value for the building. Bond Counsel has advised that the City is prohibited from making lease

payments in excess of fair market rental values. Therefore, in order to reduce the annual lease payments to a fair market rent value, it became necessary to amortize the debt over a longer period of time. According to Ms. Wagner-Lockwood, current cash flow projections indicate that sufficient 911 Emergency Response Fee funds will be available to call the lease revenue bonds in the year 2008 if the City chooses to do so at that time, thus avoiding future interest expense.

Building construction increases of \$5,037,100 and interest expense increases of \$12,563,864 are partially offset by decreased projected expenditures for various communications, hardware and software items. (See Comment 2).

Revised Total Project Costs - 911 Emergency Dispatch Center

	February, 1996	Current	Increase
	<u>Estimates</u>	<u>Estimates</u>	(Decrease)
Building Construction.	\$ 19,236,000	\$ 24,273,100	\$ 5,037,100
Community Mitigation Costs	2,031,000	2,031,000	-
Wire Communications	682,825	612,825	(70,000)
Telecommunications	1,925,973	1,364,749	(561,224)
Telephone Conversions	280,000	280,000	-
Data Communications	1,434,300	1,434,300	-
Mobile Computing Terminals	5,458,744	3,600,000	(1,858,744)
Other Radio Communications	1,083,000	1,133,000	50,000
CAD Hardware	2,500,000	2,000,000	(500,000)
CAD Software	2,500,000	2,500,000	-
AIS Hardware	6,500,000	5,200,000	(1,300,000)
AIS Software	5,000,000	5,000,000	-
Project Management - CA's Office	4,544,105	4,210,000	(334,105)
Upfront Bond Financing Costs	<u>6,800,000</u>	<u>4,981,984</u>	(1.818.016)
Subtotal	\$ 59,975,947	\$ 58,620,958	\$ (1,354,989)
Additional Interest Costs		12,563,863	12,563,863
Total Project Costs (1)	\$ 59,975,947	\$ 71,184,821	\$ 11,208,874
Less - General Obligation Bonds	\$ (2,100,000)	\$ (2,100,000)	
Less - 911 Fee Collections (2)	(47,514,857)	(54,119,691)	(6,604,834)
Less - 911 Fee Collections Interest	(2,500,000)	(4,700,000)	(2,200,000)
Earnings Net General Fund Cost	\$ 7,861,090	\$ 10,265,130	\$ 2,404,040
Additional Net Debt Service Costs not Included in February Estimate	<u>1,957,421</u>		(1,957,421)
Net General Fund Cost Including Additional Costs not Reported in February Estimate (3)	\$ 9,818,511	\$ 10,265,130	\$ 446,619

Notes to table on previous page

- (1) February Estimate includes \$2,031,000 in Community Mitigation Costs and Current Estimate includes \$2,031,000 in Community Mitigation Costs and \$2,000,000 in AIS Software costs that are not eligible for funding from the 911 Emergency Response Fee. The Department of Administrative Services hopes to identify alternative, non-General Fund dollars for the Community Mitigation Costs. If the Community Mitigation Costs are paid from some other source, the Current Estimate of Net General Fund Cost would decrease from \$10,265,130 to \$8,234,130.
- (2) Current Estimate for 911 Emergency Response Fee Collections of \$54,119,691 assumes that the proposed ordinance increasing the cap on such revenues from \$49.0 million to \$60 million will be approved. If the proposed ordinance is not approved, the increased General Fund cost will amount to an estimated \$6.0 million, (\$54,119,691 in Current Estimate Fee Collections less the \$49 million cap in the existing ordinance plus interest earnings that would not be realized on the \$5,4119,691 difference).
- (3) General Fund Costs would be incurred over a period of four years.
 - 2. According to Debra Vincent-James of the Department of Administrative Services, reductions in Telecommunications cost in the amount of \$561,224 are projected based on the potential receipt of pending grant funds. Also, Police Department grant funds have been received for the purchase of Mobile Computing Terminals (MCTs) that results in a savings of \$1,858,744. Lastly, use of the interim Computer Aided Dispatch and Automated Information System in the new 911 Dispatch Center will save approximately \$500,000 and \$1,300,000 respectively. Therefore, the same technical capabilities originally envisioned for the 911 Dispatch Center will be achieved using alternative funding sources, according to Ms. Vincent-James. The use of such alternative funding sources would be permitted under the proposed amendment to the 911 Emergency Response Fee ordinance.
 - 3. Although the table on the previous page shows that, without the proposed increase in the 911 Emergency Response Fee cap amount, General Fund costs would increase by an estimated \$6.0 million, the proposed ordinance would increase the 911 Emergency Response Fee cap by \$11 million (from \$49 million to \$60 million) or \$5.0 million more than is expected to be needed using current cost estimates. According to Ms. Vincent-James, the additional potential fee collections would provide flexibility to offset any additional unforeseen costs that may become necessary during construction of the project or in the procurement and installation of communications hardware and software.

4. Currently, the City collects approximately \$4.2 million annually in 911 Emergency Response Fee revenue (approximately \$350,000 per month). Based on this rate of collection, the 911 Emergency Response Fee would be extended for approximately an additional 31 months if the proposed maximum amount of \$60.0 million is collected instead of the existing maximum amount of \$49.0 million.

Recommendation:

The two proposed ordinances are policy matters for the Board of Supervisors.

Item 7 - File 101-96-41

Departments: Department of Telecommunications

Public Works (DPW)

Item: Supplemental appropriation ordinance of lease revenue

bond proceeds for the construction of a Combined Emergency Communications Center, and to provide the Department of Administrative Services, City Attorney and

Controller with bond issuance costs.

Amount: \$17,680,000

Source of Funds: Lease revenue bonds to be issued by the San Francisco

Finance Corporation. Item 5, File 170-96-10 is the proposed ordinance which would authorize the issuance of lease revenue bonds for the construction of the Consolidated Emergency Communications Center (CECC)

Description: The proposed supplemental appropriation will provide

construction funds for a two floor office building of 34,000 square feet built above a partially submerged underground parking structure. Two related measures before the Finance Committee (Items 5 and 6, Files 170-96-10 and 127-97-1 respectively) would authorize the issuance of the subject lease revenue bonds and provide for an increase in the maximum 911 Emergency Response Fees that can be collected for the project. The proposed supplemental appropriation would provide funding for the construction contract, construction management services, architectural, engineering and public outreach services

and bond issuance costs as follows:

Construction Contract

S. J. Amoroso Inc. - TSM (A Joint Venture and the low

Bidder on the Contract) \$14,400,000 Project Contingency @ 10% 1,440,000

Subtotal \$15,840,000

Construction M	anage	ement		
	No. of	Hourly		
	<u>Hours</u>	Rate	Amount	Subtotal
In-House				
DPW				
Construction Manager	2,184	\$97.00	\$212,000	
Field Inspector	2,400	\$68.00	163,000	
Total				\$375,000
DPW Bureau of Const	ruction			
Management Testing	g Lab.			68,000
Consultants				
The Allan Group/Corn	erstone			
Resident Engineer	3,136	\$65.48	\$205,347	
	3,136	\$44.91	140,844	
Admin/Secretary	2,880	32.73	94,264	
Sub Consultants				
NBA Assoc. (WBE)	410	\$88.95	36,470	
FW Assoc. (MBE)	450	\$103.11	46,399	
WJR Assoc. (MBE)	544	\$79.42	43,204	
URS Consultants	48	\$148.27	7,117	
Sub Consultants Ma	rkup		6,054	
Contingency			20.301	
Total			20.001	600,000
20tai				500,000
Testing Engineers, Inc.				
Materials Testing Ser	vices			<u>69,000</u>

Subtotal Construction Management \$1,112,000

Environmental Monitoring:

	No. of Hours	Hourly <u>Rate</u> A	mount	Subtotal
In-House				
DPW				
Division Manager	25	\$76.00	\$1,900	
Project Manager	490	\$64.00	31,360	
Project Manager	50	\$61.00	3,050	
Accountant	25	\$43.00	1.075	
Total				\$37,385
Consultants				
Tetra-Tech Inc. (L.	BE)			
Project Manager	14	\$95.00	\$1,330	
Senior Engineer	26	\$90.00	2,340	
Staff Engineer	80	\$75.00	6,000	
Technician	180	\$45.00	8,100	
Accounting	7	\$40.00	280	
Clerical	3	\$38.00	114	
Office			204	
Word Processing			203	
Field Supplies			<u>209</u>	
Total				18,780

SCA Environmenta (MBE/LBE)	1			
Certified Industrial				
Hygienist	50	\$95.00	\$4,750	
Environmental Tecl	h. 290	\$55.00	15,950	
Equipment Rental			4,345	
Sample Analysis			3,195	
Total				\$28,240
Wilson, Ihrig & Ass	soc. Inc.			
Principal	1	\$150.00	\$150	
Sr. Consultant	5	\$120.00	600	
Associate	39	\$110.00	4,290	
Assistant	84	\$95.00	7,980	
Technician	85	\$75.00	6,375	
Secretary	35	\$60.00	2,100	
Total				21,495
				,
Bluewater, Inc.				
Asbestos Abatemen	t.			1,350
1 2000000 TABARCINON				2,000
Contingency				10,750
Continue				10,100

Subtotal Environmental Monitoring

Architecture, Engineering & Public Outreach No. of Hourly

\$118,000

	110. 01	Hourry		
	Hours	Rate	Amount	Subtotal
In-House				
Human Rights Comm	١.			
1314 Public Affairs	680	\$51.00	\$35,000	\$35,000
DPW Bureau of				
Architecture:				
Principal Engineer	250	\$97.00	\$24,250	
Architect	500	\$87.00	43,500	
Architectural Assoc. II	1,000	\$70.00	70,000	
Total				\$137,500
Consultants:				
Heller-Manus				
Principal	40	\$105.00	\$4,200	
Architect	310	\$85.00	26,350	
Drafter	40	\$70.00	2,800	
Total				33,350
Finger & Moy (MBE)				
Principal	30	\$120.00	\$3,600	
Architect	190	\$85.00	16,150	
Drafter	30	\$58.00	1.748	
Total				21,498

Levy Design Partners	(LBE)				
Principal	6	\$105.00	\$630		
Architect	52	\$85.00	4,420		
Job Captain	68	\$65.00	4,420		
Drafter	4	\$58.00	<u>232</u>		
Total				9,702	!
Forell/Elsesser					
Principal	30	\$115.00	\$3,450		
Engineer	240	\$75.00	18,000		
Drafter	30	\$50.00	1.500		
Total				22,950	
Subtotal Architects	ure, Ei	ngineeri	ing		
and Public Outrea		Ŭ	Ü		\$260,000
Bond Issuance C	osts (See Att	achme	nt	
1 for details)					
Financial Advisor	Fees		\$65,	000	
Bond Counsel Fee	es			000	
Corporate Counse	el		,	000	
City Administrate				000	
Controller	-			000	
City Attorney				000	
Rating Agency Fe	05			000	
Printing Fees	.03			000	
Trustee Fees			,	000	
Title Insurance			<u>30</u> ,	000	272.000
Subtotal					<u>350,000</u>
Total Project Cos	st				\$17,680,000

Comments:

1. The low construction bid of \$14,400,000 was \$2,208,734 or 18.1 percent higher than the engineers' estimate of \$12,191,299. Two higher bids were received in the amount of \$14,448,464 from Barnes/LTM, a Joint Venture and \$14,498,000 from A. Answer, Inc., Marinship, Dennis J. Amoroso Joint Venture. According to Mr. Paul Travis of the Bureau of Architecture the bids may have been higher than the engineers' estimate of \$12.2 million for the 911 Dispatch Center building because of (1) inflationary increases in the cost of concrete, steel and wood for formwork; (2) the need to install bullet proof glass in the facility; and (3) the current bidding pool is limited due to the numerous construction projects ongoing in the Bay Area (Opera House, City Hall, San Francisco International Airport, Caltrans and BART).

2. The joint venture of S. J. Amoroso, Inc.-TSM is neither a MBE or a WBE firm. However, Mr. Travis has advised that the minimum subcontract goals stated in the bid documents for the contract were as follows:

15% Local African American Minority Business Enterprise (MBE)
7.7 % other Local Minority Business Enterprise (MBE), and
6.3 % Local Women Business Enterprise (WBE)
29% Total MBE/WBE Participation

The Human Rights Commission has reviewed the bid submittals and has determined that S. J. Amoroso Construction Co., Inc./TSM, a Joint Venture has met the established MBE/WBE/LBE goal and set-aside requirements and is therefore considered eligible for approval of the contract award.

3. Mr. Travis reports that a competitive Request For Proposal (RFP) process was used to select each of the professional services consultants listed above. Mr. Travis advises that the MBE firm of SCA Environmental would receive \$28,240, or approximately 40 percent of the \$69,865 budgeted for environmental monitoring consultants.

The MBE firm of Finger & Moy would receive \$21,498, or approximately 25 percent of the \$87,500 budgeted for architecture, engineering and public outreach consulting services.

4. The proposed supplemental appropriation would also provide funding for bond issuance costs. The details of the proposed bond issuance costs are included as Attachment 1 to this report.

Recommendation:

Because the proposed supplemental appropriation of lease revenue bond funds is contingent on approval of Item 5, File 170-96-10, which would authorize the lease revenue bond issuance, this proposed supplemental appropriation is a policy matter for the Board of Supervisors.

911 Combined Emergency Communications Center Lease Revenue Bond - Cost of Issuance

Estimated Costs of Issuance	_	-4!4-	F Paris	LI.	uniu Data	# af Llaum	Total
FINANCIAL ADVISOR FEES CO FINANCIAL ADVISORS	\$	65,000	Fee Basis Maximum Fee Amount	HO	uny Kata	# of Hours	<u>Total</u>
Public Financial Management (PFM)							
Managing Director				\$	170.00		\$ 8,500
Senior Managing Consultant					170.00		\$ 34,000
Managing Consultant				\$	150.00	120	\$ 18,000
Liberty Public Financial Advisors (WBE)							
Principal				Ş	50,00	90	\$ 4,500
BOND COUNSEL FEES	\$	70,000	Flat Fee Contingent				
CO BOND COUNSELS	•	, 0,000	Upon Issuance of Bonds				
O'Melveny & Meyers, LLP			45,500				
Law Offices of Pamela S. Jue(MBE/WBE)			24.500				
			. 21,000				
CORPORATE COUNSEL-FINANCE CORP	\$	15,000	Flat Fee				
Lofton, De Lancie & Nelson (MBE)							
(General Counsel to the Finance Corp)							
CITY ADMIN. (Public Finance)	\$	50,000	Hourty Costs				
Director of Public Finance		,	,	\$	60.00	450	\$ 27,000
Debt Analyst				Ş	30,00	450	\$ 13,500
Assistant				\$	20.00	170	\$ 3,400
Other Related Office Expenses							\$ 6,100
CONTROLLER ADMIN.	s	15,000	Hourly Cost				
Budget & Operations Mgr	•	.0,000	,	S	60.00	166.67	\$ 10,000
CAFR Printing Costs for OS				•			\$ 5,000
							•
CITY ATTORNEY FEES	\$	30,000	Hourly Cost				
				\$	125.00	240	\$ 30,000
RATING AGENCY FEES	s	50,000	Estimated Flat Fee				
Standard & Poors	•	00,000	Edding of Edit of		•		\$ 25,000
Moodys							\$ 25,000
PRINTING	\$	15,000	Estimated Flat Fee				
Printing of Preliminary Official Statement							
and Official Statements (POS/OS)							
TRUSTEE	\$	10,000	Estimated Fee				
Chamical Trust Company/CHASE	Ť	,					
TITLE INSURANCE	\$	30,000	Estimated Fee				
TOTAL 911 COST OF ISSUANCE	\$	350,000					

Item 8 - File 93-96-33

Department:

Department of Human Resources

Item:

Ordinance implementing the settlement of a grievance filed pursuant to the Memorandum of Understanding (MOU) between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 (IFPTE) providing for a step increase for provisional employees to be effective for the period July 1, 1995 through June 30, 1998.

Description:

The proposed ordinance would approve the settlement of a grievance filed by IFPTE pursuant to the union's Memorandum of Understanding with the City for the period July 1, 1995 through June 30, 1998, which was previously approved by the Board of Supervisors (Ordinance 221-95).

"Step" increases are incremental increases in an employee's wage rate within a single Civil Service classification, based on the City's existing salary schedule for each class. Each incremental step in most of the City's job classifications represents a wage increase of approximately five percent. Step increases are automatically provided to permanent Civil Service employees based on the length of time they have been employed in their present class. Generally, each additional year of service confers one step increase, up to the fifth step. Each job classification has five steps, with the fifth step representing the maximum compensation payable to an employee in any given classification.

Provisional employees are those who have been hired "provisionally" in the absence of a Civil Service list of qualified and available Civil Service candidates for the position. Provisional employees remain in provisional status unless and until a Civil Service exam is given, at which point they may qualify for permanent Civil Service status.

The MOU with IFPTE Local 21 for the period July 1, 1995 through June 30, 1998 provided that step increases would be awarded to all City employees who were in provisional status on July 1, 1995. Each such employee was to receive a wage adjustment based on the employee's length of service with the City (of up to five years) and the corresponding salary schedule applicable to the position. Provisional employees were to be "raised" to the step corresponding to their actual length of service as of July 1, 1995, and to remain eligible to receive an additional step increase annually thereafter, up to the maximum 'fifth step' wage rate for the class.

According to Mr. John Madden of the Controller's Office, the Department of Human Resources (DHR) interpreted this MOU provision at the time the MOU was implemented to mean that a provisional employee had to have already been employed for one year on July 1, 1995 in order to receive the step increases authorized by the MOU.

Mr. Madden indicates that IFPTE Local 21 filed a grievance with the Employee Relations Division of DHR to protest this interpretation. Local 21 asserted that all provisional employees (as of July 1, 1995) were to become eligible for the step increases following completion of the requisite period (one year per step increase) - without regard to when their employment began or whether they had worked at least one year on the MOU's effective date of July 1, 1995.

This grievance was resolved in favor of the union, and Mr. Madden indicates that, as a result, the City must provide step increases to any provisional employee who completes one year of service after July 1, 1995, regardless of when they were hired.

The proposed ordinance would not amend the existing MOU between the City and IFPTE Local 21. Rather, the ordinance states that the Board of Supervisors "hereby implements the provisions of the settlement of a grievance...". According to Mr. Madden, the proposed ordinance would simply clarify the City's policy concerning those provisional employees who had less than one year of service on July 1, 1995 (the subject of the grievance), by specifically including them among the provisional employees who are now eligible to receive step increases after one year of service, pursuant to the existing MOU.

As a result, the proposed ordinance, if approved, would authorize the payment of applicable step increases, retroactive to July 1, 1995 (the effective date of the subject Local 21 agreement), for any Local 21 members who were in provisional status on July 1, 1995 but have not yet received the step increases which were authorized for provisional employees under the Local 21 agreement, because they had not worked at least one year as of July 1, 1995.

The proposed settlement agreement (which is the subject of the proposed ordinance) also provides as follows:

- The settlement agreement is being entered into, "to resolve and settle all actual and potential disputes... regarding all matters relating to the proper interpretation of MOU Section 269 [concerning provisional employees] without further administrative or legal proceedings."
- The union promises not to sue and to dismiss any pending grievances or litigation regarding this matter.

Comments:

1. Mr. Madden indicates that, in developing the original (July 1995) fiscal impact estimate for the 1995-98 MOU, the Controller's Office did not distinguish between provisional employees who had been employed for one year or more as of the MOU's effective date of July 1, 1995, from those provisional employees who had less than one year of service on that date.

Therefore, according to Mr. Madden, the Controller's original estimated cost to provide step increases to provisional employees is not affected by the proposed ordinance. Rather, according to Mr. Madden, the proposed ordinance, if approved, would authorize and clarify that <u>all</u> provisional employees would be eligible to receive step increases, regardless of when they were hired, following one year of provisional employment.

- 2. Mr. Madden concludes that the fiscal impact of the proposed ordinance is negligible, because the proposed step increases have already been included in labor cost estimates and budgeted salary amounts for the current fiscal year, based on the Board of Supervisors previous approval of the 1995-98 MOU with IFPTE Local 21. As previously noted, the subject ordinance is intended to clarify that the existing MOU provisions will apply equally to those provisional employees as of July 1, 1995 who did not at that time have one year of experience with the City.
- 3. The Budget Analyst notes, however, that as a result of this settlement of a grievance, the City will incur costs it would not otherwise have to pay (namely, step increases for provisional employees who did not have one year of service when the MOU took effect on July 1, 1995). Mr. Madden states, however, that the fiscal impact of the proposed ordinance will be negligible, because it would authorize step increases only for those provisional employees who had not completed one year of employment as of July 1, 1995 (when the IFPTE Local 21 MOU took effect), and because the Controller's original estimate of new costs under the 1995-98 MOU assumed that all provisional employees would become

eligible for step increases after July 1, 1995, regardless of whether they had completed one year of employment before July 1, 1995.

Because the Controller's original estimates of the increased costs under the 1995-98 MOU with Local 21 included step increases for <u>all</u> provisional employees, and because these costs have already been included in the approved budget for the current 1996-97 fiscal year, the Budget Analyst concurs with the Controller's Office that the fiscal impact of the proposed ordinance will be negligible.

4. On previous occasions, the Board of Supervisors has approved ordinances settling grievances in cases where the settlement arose from binding arbitration. In such circumstances, the Board does not have the discretion to reject the award made through binding arbitration. In the case of the subject ordinance, however, the grievance settlement did not result from binding arbitration. Therefore, it is a policy matter for the Board of Supervisors whether or not to approve the subject ordinance, which provides for salary step increases to be paid to all City workers who held provisional status as of July 1, 1995. However, since the fiscal impact of the subject ordinance appears to be minimal, the Budget Analyst recommends approval of the proposed ordinance.

Recommendation: Approve the proposed ordinance

Lu Dure
Harvey M. Rose

Supervisor Leal cc: President Kaufman Supervisor Brown Supervisor Ammiano Supervisor Bierman Supervisor Katz Supervisor Medina Supervisor Teng Supervisor Yaki Supervisor Yee Clerk of the Board Controller Steve Agostini Stephen Kawa Ted Lakev

MINUTES

REGULAR MEETING FINANCE COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 5, 1997 - 1:00 P.M.

VETERANS BUILDING 401 VAN NESS AVENUE ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

Present: Supervisors Leal, Kaufman, Brown

Meeting Convened at 1:02 p.m.

GENERAL

1. File 78-97-1. [Health Service System Contributions] Resolution establishing the contribution to be made to the Health Service System by City and County, Unified School District and Community College District for fiscal year 1997-98. (Department of Human Resources-Health Service System)

SPEAKERS: Randy Smith, Health Service System

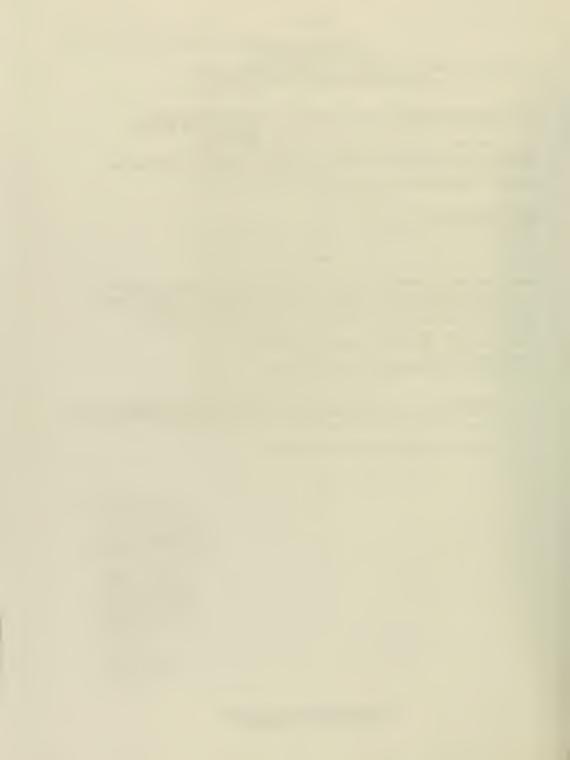
ACTION: Hearing held. RECOMMENDED.

2. <u>File 187-97-1</u>. [Trial Court Funding, 1997-1998] Resolution electing to become subject to the provisions of the State Trial Court Funding Program for the period of July 1, 1997, through June 30, 1998. (Controller)

ACTION: Hearing held. RECOMMENDED.

DOCUMENTS DEPT

SEP 1 1 2000 SAN FRANCISCO PUBLIC LIBRARY



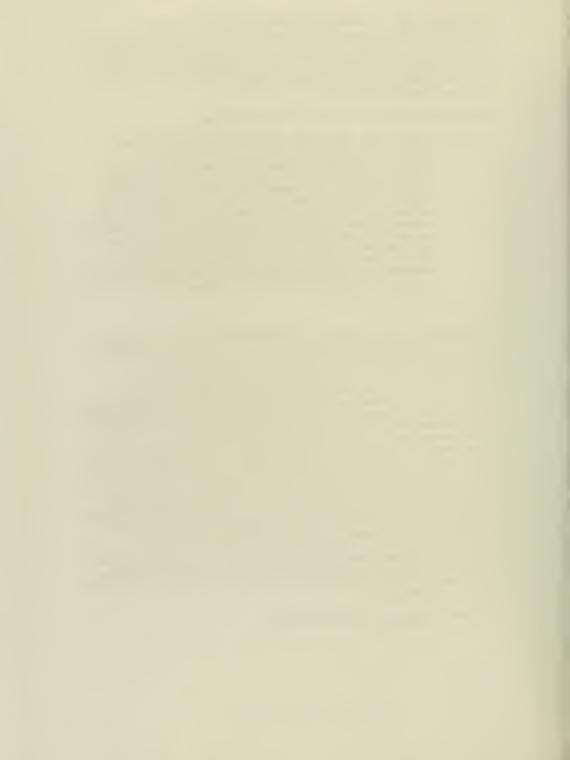
3. File 97-97-5. [C. .t, Debit, ATM Cards] Ordinance a inding the Administrative Code by amending Section 10.11-1 by incorporating previous Sections 10.11-1 through 10.11-4; to add definitions for credit card, debit card and ATM card, by authorizing the Treasurer/Tax Collector of the City and County to accept credit cards, debit cards and ATM cards for the payment of taxes and other related fees and charges; repealing Sections 10.11-2 through 10.11-4.. (Supervisor Kaufman)

SPEAKERS: Richard Sullivan, Treasurer/Tax Collector

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. Amendment of the Whole bearing new title adopted. NEW TITLE: Ordinance amending the Administrative Code by amending Section 10.11-1 by adding the provisions of Sections 10.11-2 through 10.11-4, authorizing various commissions and departments to accept payments by credit card or ATM card, by adding definitions for credit card, debit card and ATM card, by authorizing the Treasurer/Tax Collector of the City and County to accept credit cards, debit cards and ATM cards for the payment of taxes and other related fees and charges; repealing Sections 10.11-2 through 10.11-4, authorizing various commissions and departments to accept payments by credit card or ATM card, the provisions of which are being added to Section 10.11-1.". (Supervisor Kaufman)

File 60-97-2. [Special Election, Bond Propositions] Ordinance calling and 4. providing for a special election to be held in the City and County on Tuesday, June 3, 1997, for the purpose of submitting to voters of the City and County propositions to incur the following bonded debts for the acquisition. construction and/or reconstruction of (1) \$140,000,000 for educational facilities used or to be used by San Francisco Unified School District or the City College of San Francisco; (2) \$48,000,000 for Zoo facilities and properties; (3) \$49,000,000 for community cultural facilities which include such facilities as the Mission Cultural Center Bayview Opera House, Center for African and African-American Art and Culture, South of Market Cultural Center, Art Commission Gallery, Gay/Lesbian Cultural Center, Native American Cultural Center and the Center for Asian Pacific American Arts and Culture; and that the estimated cost of said projects is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than amount allowed by the annual tax levy; reciting estimated costs of such projects: fixing date of election and manner of holding such election and procedure for voting for or against the propositions; fixing the maximum rate of interest on said bonds and providing for levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; consolidating the special election with citywide June 3rd special election; and providing that the election precincts, voting places and officers for election shall be the same as for the citywide June 3rd special election. (Supervisor Yaki)

ACTION: Hearing held. RECOMMENDED.



5. <u>File 101-96-36.</u> propriation, Public Defender] Ord—ace appropriating \$123,124, Public Defender, from General Fund Reserve to cover fiscal year 1996-97 rental increase and telephone services. (Controller) RO #96173

SPEAKERS: Jeff Brown, Public Defender

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend by reducing services of other departments - telephone by \$12,442 from \$101,398 to \$88,956 and reduce the total request of \$123,124 by \$12,442 to \$110,682. NEW TITLE: "Ordinance appropriating \$110,682, Public Defender, from General Fund Reserve to cover fiscal year 1996-97 for rental increase and telephone services."

6. <u>File 101-96-37</u>. [Appropriation, Fire Department] Ordinance rescinding and appropriating \$110,675, Fire Department, of a Fire Protection Bond capital project for the AWSS System to a capital project for the Hazard Mitigation grant for fiscal year 1996-97. (Controller) RO #96178

SPEAKERS: None

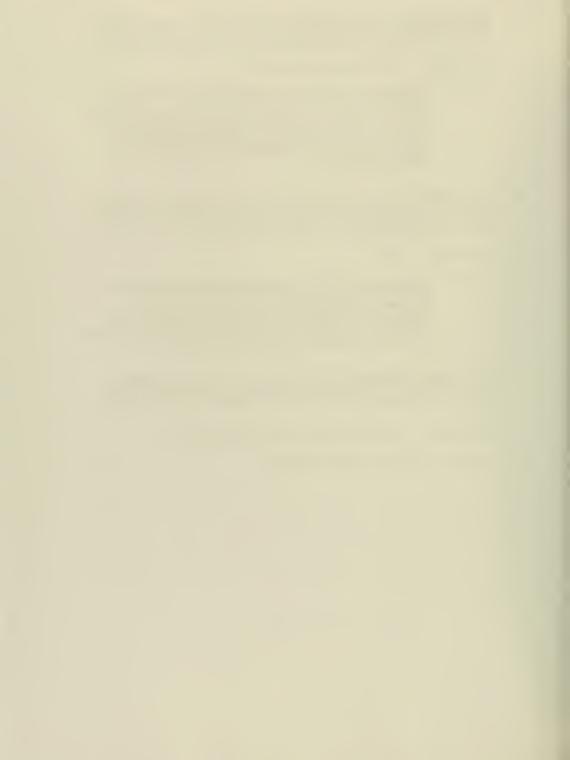
ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. Add a Section 2, placing \$25,000 on reserve. NEW TITLE:

"Ordinance rescinding and appropriating \$110,675, Fire
Department, of a Fire Protection Bond capital project for the
AWSS System to a capital project for the Hazard Mitigation grant
for fiscal year 1996–97; placing \$25,000 on reserve."

7. File 101-96-38. [Appropriation, Medical Examiner/Coroner] Ordinance appropriating \$90,732, Medical Examiner/Coroner, from the General Fund Reserve to purchase equipment for fiscal year 1996-97. (Controller) RO #96179

SPEAKERS: Dr. Boyd Stephens, Coroner/Medical Examiner

ACTION: Hearing held. RECOMMENDED.



8 File 101-96-39. Oppropriation, Department of Public alth-Mental Health]
Ordinance appropriating \$100,000, Department of Public Health-Division of
Mental Health, of State revenue to salaries, fringe benefits, travel, training,
professional services, other current services, materials and supplies and
equipment for the creation of one (1) position for a Suicide Prevention Program
for fiscal year 1996-97. (Controller) RO #96181 (COMPANION TO THE
FOLLOWING FILE)

SPEAKERS: None.

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. Add a Section 3, providing for ratification of action previously taken. NEW TITLE: Ordinance appropriating \$100,000, Department of Public Health-Division of Mental Health, of State revenue to salaries, fringe benefits, travel, training, professional services, other current services, materials and supplies and equipment for the creation of one (1) position for a Suicide Prevention Program for fiscal year 1996-97; providing for ratification of action previously taken.

9. <u>File 102-96-8</u>. [ASO Amendment, Department of Public Health-Mental Health] Ordinance amending Ordinance No. 298-96 (Annual Salary Ordinance, 1996/97) reflecting the creation of one (1) position (Class 2823 Mental Health Educator), in the Department of Public Health, Division of Mental Health. (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

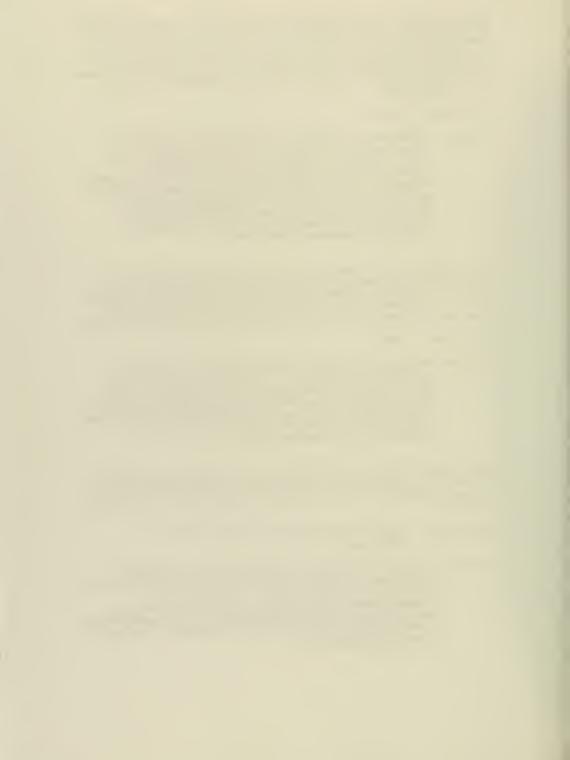
SPEAKERS: None.

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Add a Section 2, providing for ratification of action previously
taken. NEW TITLE: Ordinance amending Ordinance No. 298-96
(Annual Salary Ordinance, 1996/97), reflecting the creation of one
(1) position (Class 2823 Mental Health Educator), in the Department
of Public Health, Division of Mental Health; providing for
ratification of action previously taken.

 File 101-96-40. [Appropriation, Art Commission] Ordinance appropriating \$13,000, Art Commission, from the General Reserve to facilities maintenance to restore a sculpture at St. Mary's Square in fiscal year 1996-97. (Controller) RO #96190

SPEAKERS: Richard Newirth, Director of Cultural Affairs, Art Commission

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Reduce amount by \$112, from \$13,000 to \$12,888; and add a Section 2, providing for retroactive action. AMENDED TITLE:
"Ordinance appropriating \$12,888, Art Commission, from the General Reserve to facilities maintenance to restore a sculpture at St. Mary's Square in fiscal year 1996-97; providing for ratification of action previously taken."



11. File 216-95-1.2. ombined Emergency Communicatic Center] Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) a subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC shall be constructed; and amending Section 6 of the Ordinance No. 80-96 to provide an elevation adjustment to allow for the construction of the underground parking structure for CECC. (City Administrator) (COMPANION TO FOLLOWING FILES) (Continued from 1/29/97.)

SPEAKERS: Steve Kawa, Mayor's Budget Office; Steve Agostini, Director of Finance, Mayor's Office

ACTION: Hearing held. CONSIDERATION CONTINUED TO FEBRUARY 12, 1997.

File 170-96-10. [Lease Financing for 911 Center] Ordinance rescinding 12. Ordinance 208-94 (Citywide Radio System Lease Financing); approving a site lease agreement between the City and County of San Francisco ("CITY"), as lessor, and the City and County of San Francisco Finance Corporation ("CORPORATION"), as lessee, relating to a portion of Assessor's Block 759, Lot 1, known as the Margaret S. Hayward Playground ("SITE"); approving a project lease agreement between the CORPORATION, as lessor, and the CITY, as lessee, of the 911 Dispatch Center to be constructed on the site (including certain indemnification provisions therein); approving an Agency Agreement between the CORPORATION and the CITY with respect to a 911 Dispatch Center to be used for City purposes; approving the issuance of Lease Revenue Bonds of the CORPORATION; approving a continuing Disclosure Agreement relating to said bonds; approving the circulation, execution and delivery of an Official Statement relating to said bonds; and providing for the execution of documents in connection with and ratifying previous actions taken in connection with the foregoing matters. (City Administrator) (COMPANION TO PRECEDING AND FOLLOWING FILES) (Continued from 1/29/97.)

SPEAKERS: Steve Kawa, Mayor's Budget Office; Steve Agostini, Director of Finance, Mayor's Office

ACTION: Hearing held. Amendment of the whole bearing same title as above adopted. CONSIDERATION CONTINUED AS AMENDED TO FEBRUARY 12, 1997.

13. File 127-97-1. [Emergency Response Fee Amendments] Ordinance amending the Municipal Code, Part III, Article 10A by amending Sections 751, 752 and 756 to increase the estimate of total project costs from \$57,851,000 to \$67,153,821 and to increase the cap on project costs eligible to be paid from Emergency Response Revenues from \$49 million to \$60 million. (City Attorney) (COMPANION TO THE PRECEDING AND FOLLOWING FILE) (Continued from 1/29/97.)

SPEAKERS: Steve Kawa, Mayor's Budget Office; Steve Agostini, Director of Finance; Mayor's Office

ACTION: Hearing held. CONSIDERATION CONTINUED TO FEBRUARY 12, 1997.



14. File 101-96-41. propriation, Department of Teleconunications, of Continuous Propriating \$17,680,000, Department of Telecommunications, of Lease Revenue Bond proceeds for the construction of a Combined Emergency Communications Center (CECC), and to provide the Department of Administrative Services, City Attorney and Controller with costs of issuance for fiscal year 1996-97; placing the funds on reserve. (Controller) RO #96196 (COMPANION TO THE PRECEDING FILES) (Continued from 1/29/97.)

SPEAKERS: Steve Kawa, Mayor's Budget Office; Steve Agostini, Director

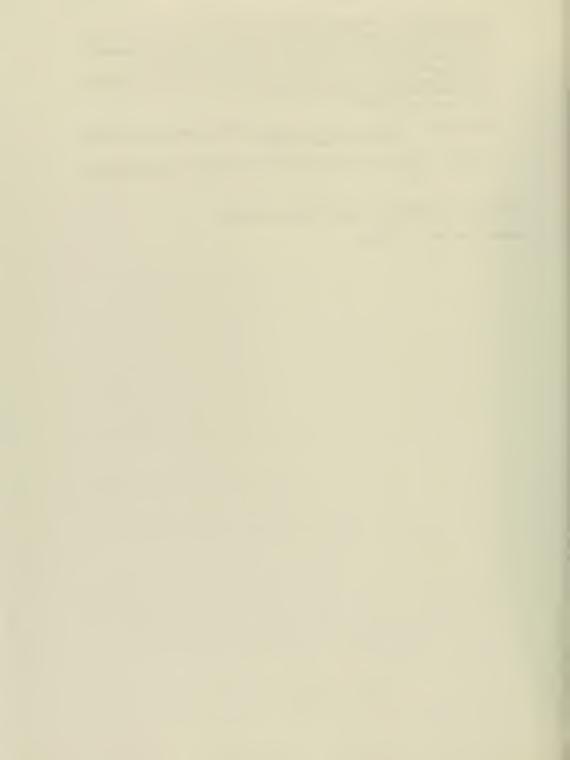
of Finance, Mayor's Office

ACTION: Hearing held. CONSIDERATION CONTINUED TO FEBRUARY 12,

1997.

VOTE ON ALL ITEMS WAS 3 - 0, FOR ENTIRE MEETING.

Meeting Adjourned: 1:37 p.m.



CITY AND COUNTY



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

January 31, 1997

TO:

Finance Committee

DOCUMENTS DEPT.

FROM:

Budget Analyst Recommendations for meeting of

FEB 0 4 1997

SUBJECT: February 5, 1997 Finance Committee Meeting

SAN FRANCISCO PUBLIC LIBRARY

Item 1 - File 78-97-1

Department:

Health Service System (HSS), Dept. of Human Resources

Item:

Resolution establishing the contribution to be made to the Health Service System by the City and County of San Francisco, the Unified School District, and the San Francisco Community College District for Fiscal Year 1997-98.

Description:

The proposed resolution would establish the dollar amount of the employer's contribution to be made to the Health Service System by the City and County of San Francisco (City), the San Francisco Unified School District (SFUSD) and the San Francisco Community College District (SFCCD) for the 1997-98 Fiscal Year, beginning July 1, 1997.

The Health Service System is required by Charter Sections A8.423 and A8.428 to survey the ten most populous counties in the State (excluding San Francisco), to determine the average dollar contribution made by these counties toward each employee's medical care insurance (not including dental and optical care insurance).

Approval of the proposed resolution would authorize the Health Service System to set the FY 1997-98 monthly contribution rate to the Health Service System Fund by the Memo to Finance Committee February 5, 1997 Meeting of Finance Committee

City, SFUSD, and SFCCD at \$170.59 for each eligible, active employee, based on the results of the most recent 10-county survey.

The amount that an employee must contribute to his or her health insurance is calculated as the difference between the actual premium costs which the City must pay to health insurers, less the City's contribution, which is based on the 10-county survey.

According to the Health Service System, the 10-county survey for FY 1997-98 indicates that the average per employee contribution of these ten counties is \$170.59 per month (\$2047.08 annually), not including dental and optical care insurance. The City's current FY 1996-97 contribution is \$167.33 monthly (\$2,007.96 annually) per employee. The proposed resolution would establish \$170.59 as the monthly per employee contribution to be made in FY 1997-98 by the City, the SFUSD, and the SFCCD for the health insurance costs of their employees. The new \$170.59 rate for FY 1997-98 represents an increase of \$3.26 per month or approximately 1.9 percent from the \$167.33 monthly amount currently contributed in FY 1996-97.

Comments:

- 1. The total estimated City and County contribution costs for active members during the current FY 1996-97 is \$47.6 million. According to Mr. Randall Smith, Executive Director of the Health Service System, based on the current membership in the Health Service System of approximately 24,518 active HSS members and the projected 1.9 percent increase in the employers' contribution rate for FY 1997-98, the total employer contributions to the Health Service Trust Fund are expected to increase by \$2.6 million from the FY 1996-97 level of \$47.6 million to an estimated \$50.2 million for FY 1997-98. Of the estimated \$50.2 million in employer contributions in FY 1997-98, approximately \$30.3 million will be contributed from the City's General Fund, according to Mr. Smith. The remainder will be funded by special funds.
- 2. Pursuant to Charter Section A8.428(c), retired employees¹ who wish to continue to participate in the Health Service System must make monthly contributions to the Health Service System that are equal to those of active members, except for retired employees who are also covered under Medicare. The total contributions required from retired employees who are also covered under Medicare is reduced by

¹ For the purposes of this report, "retired employees" include retired employees and surviving spouses of active or retired employees.

an amount equal to the amount contributed monthly by such persons to Medicare. In connection with this latter provision, the City, the Unified School District and the Community College District must contribute funds sufficient to defray the difference in cost to the Health Service System in providing the same health coverage to retired employees as active employees.

According to Mr. Smith, the City's contribution for retired employees in the current 1996-97 Fiscal Year is estimated at \$18.0 million, including an estimated \$11.9 million in General Fund monies. Mr. Smith reports that the 1995-96 actual retiree cost to the City was \$16.3 million, including \$10.8 million in General Fund monies. The estimated City contribution to the Health Service System for retired employees in FY 1997-98 will not be established until health plan contract rates and employee contribution rates are determined by the Health Service Board, anticipated to occur in February, 1997.

- 3. As previously noted, the City's contribution for health care coverage in FY 1997-98 is equal to the average contribution of the ten other most populous counties in California during FY 1996-97, as established by survey. As a result, given that the counties used for comparison may increase or decrease their actual contributions for FY 1997-98 (compared to survey results), the City contribution may in fact be greater or less than the actual average coverage provided by those ten counties in FY 1997-98. However, because the Health Service System is required by the Charter to collect the comparative data before January of each year, the Health Service System is not able to set its FY 1997-98 rates based on the precise FY 1997-98 rates of other jurisdictions.
- 4. The Health Service System indicates that the ten surveyed counties contributed an average of \$278.04 per month for an employee and one dependent, and \$340.38 per month for an employee and two or more dependents. According to Mr. Smith, the City presently contributes up to \$317.30 per month for an employee and one dependent, and up to \$392.33 per month for an employee and two or more dependents, depending on which plan the employee has selected, and depending on the terms of the City's contracts with the various unions.
- 5. The Health Service System's consulting actuary, Rael & Letson, Inc., has reviewed and concurred with the proposed average contribution of \$170.59 per month for Fiscal Year 1997-98 which was calculated by the Health Service System.

Memo to Finance Committee February 5, 1997 Meeting of Finance Committee

Recommendation: Approve the proposed resolution.

Item 2 - File 187-97-1

Department:

Trial Courts

Item:

Resolution electing to become subject to the provisions of the State Trial Court Funding Program for the period of July 1, 1997 through June 30, 1998.

Description:

The proposed resolution would serve to notify the State of San Francisco's intention to participate in the State Trial Court Funding Program for Fiscal Year 1997-98, in accordance with Section 77300 of the State Government Code.

The Trial Court Funding Program was established in 1988. The Trial Court Funding Act established provisions in which counties could receive State subsidized Trial Court Funding. The amount of funding allotted to each county is determined by formula. The Board of Supervisors has requested and received State Trial Court Funding for San Francisco every year, since the inception of the Trial Court Funding Program.

Comments:

- 1. A key requirement of the Trial Court Program is that counties must maintain at least the level of expenditure for court operations established in their first full fiscal year (1989-90) of participation in the Trial Court Funding Program, adjusted by a cost-of-living factor. According to Ms. Kate Harrison of the Trial Courts, the Trial Courts anticipate having a Fiscal Year 1997-98 Trial Court budget of approximately \$55 million. If San Francisco should experience a reduction in overall revenue in future years and needed to significantly reduce expenditures, this could mean that a greater proportionate share of any reductions in expenditures would have to be borne by City and County Departments other than the Superior and Municipal Courts.
- 2. Mr. John Madden of the Controller's Office reports that the deadline for San Francisco to elect to participate in the Trial Court Funding Program for Fiscal Year 1997-98 is March 1, 1997.
- 3. San Francisco has previously elected to participate in the Trial Court Funding Program since Fiscal year 1988-89. San Francisco has received the following amounts of Trial Court Funding monies:

Trial Court Funding
\$7,244,400*
15,244,400
16,200,000
18,968,097
19,056,893
15,600,000
16,020,000
16,030,000
<u>15,987,000</u>
\$140,350,790

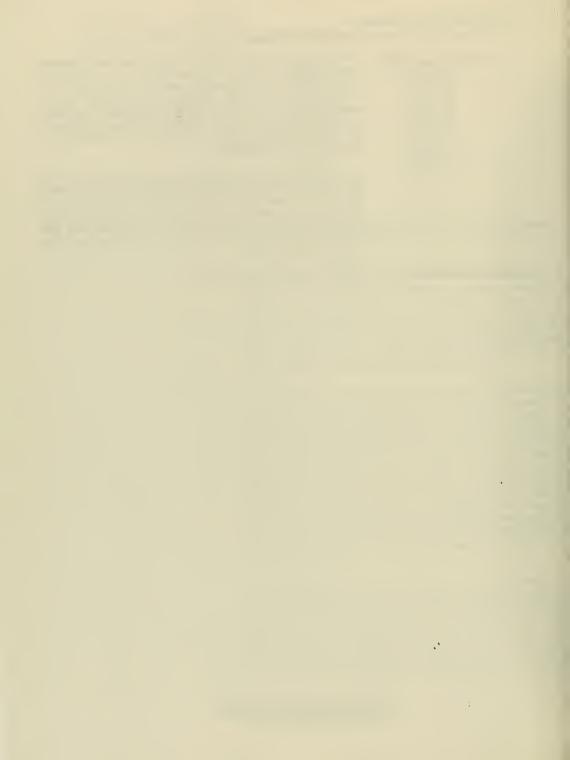
- * Based on six months of funding from January 1 through June 30, 1989. The annualized amount is \$14,488,800.
- 4. In prior fiscal years, the Board of Supervisors has committed, by resolution, that no less than one-third of the Trial Court Funding Program revenues would be allotted to the Superior and Municipal Courts. The proposed resolution does not contain any language specifying the amount that will be committed by the Board of Supervisors to the Superior and Municipal Courts. However, most of the balance of the Trial Courts budget is financed by the City's General Fund.
- 5. Participation in the Trial Court Funding Program will lower the City's FY 1997-98 Gann Limit by the amount of the State allocation, estimated by the Trial Courts at approximately \$16, 157,000 for FY 1997-98. Mr. Madden reports that the Controller's Office has not yet finalized its estimate of the City's FY 1997-98 Gann Limit. However, Mr. Madden reports that there is no real impact because the City is no longer near its Gann Limit. Furthermore, receipt of the Trial Court Funding Program monies also lowers the amount of General Fund monies from Property Taxes that must be appropriated to fund the Trial Court operations (the Gann Limit establishes a ceiling on the amount of appropriations of Property Tax revenues).
- 6. Ms. Harrison indicates that, based on the Governor's current budget and using the existing formula allocation, the State's allocation of Trial Court Funding to San Francisco would be approximately \$16,157,000. This estimated amount is approximately \$170,000 more than the current FY 1996-97 allocation of \$15,987,000. According to Ms. Harrison, the actual allocation to San Francisco will depend on the final amount of Trial Court

Funds approved by the State Legislature and whether Trial Court Funding Program funds are allocated according to the FY 1996-97 formula or according to a different approach. Mr. Madden reports that, on an overall basis, the City currently anticipates receiving approximately the same amount of Trial Court Funds in FY 1997-98 that the City received in FY 1996-97, or approximately \$16 million.

7. It should be noted that the estimated State Trial Court funding of approximately \$16 million for Fiscal Year 1997-98 will not cover all City costs for the Trial Courts FY 1997-98 budget which is anticipated to be approximately \$55 million. Most of the balance of approximately \$39 million (\$55 million less \$16 million) will be financed with General Fund monies.

Recommendation:

Approve the proposed resolution.



Memo to Finance Committee February 5, 1997

Item 3 - File 97-97-5

Department:

Treasurer/Tax Collector

Item:

Ordinance amending Administrative Code Section 10.11-1 to include previous sections 10.11-1 through 10.11-4; deleting sections 10.11-2 through 10.11-4; adding definitions for credit card, debit card, and Automatic Teller Machine (ATM) card; and authorizing the Treasurer/Tax Collector of the City and County to accept credit cards, debit cards, and ATM cards for the payment of taxes and other related fees and charges.

Description:

The Administrative Code has been amended four times since 1990 to permit members of the public to remit payment for taxes, fees, or services to certain City departments (as named in the Administrative Code) by credit card, debit cards, or Automatic Teller Machine (ATM) cards, as an alternative to paying by cash, check, or money order. (Debit cards are "stored value" cards, like BART tickets, which can be presented to creditors and debited in payment for amounts owed.)

These previous amendments to the Administrative Code appear as Sections 10.11-1 through 10.11-4. However, under these existing provisions of the Administrative Code, the Treasurer-Tax Collector is not one of the departments currently authorized to accept payment by credit, debit, or ATM card.

The proposed ordinance, if approved, would amend Administrative Code Section 10.11-1 by (1) adding definitions of "credit card," debit card," and "Automatic Teller Machine (ATM) cards", and (2) authorizing the Treasurer-Tax Collector to accept credit cards, debit cards, or ATM cards for the payment of taxes and other related fees. Such credit, debit, or ATM card payments to the Treasurer-Tax Collector would be allowed to be made either in person, by mail, over the telephone, or by "other electronic means."

In addition, the proposed ordinance, if approved, would incorporate all of the prior Administrative Code amendments since 1990 and the current proposed amendment (authorizing the Treasurer-Tax Collector to accept credit, debit, or ATM cards) in a single Administrative Code Section, namely Section 10.11-1, and would delete Sections 10.11-2 through 10.11-4, in which the prior amendments to the Administrative Code currently appear.

Memo to Finance Committee February 5, 1997

The existing pertinent provisions of the Administrative Code, which would all be combined in Section 10.11-1 under the proposed ordinance, are as follows:

Administrative Code Section 10.11-1 currently authorizes the Department of Public Health to accept credit cards for services provided at its public facilities. Credit card payments may be made in person, by mail, or over the telephone.

Administrative Code Section 10.11-2 currently authorizes the Art Commission, Public Library, and Recreation and Park Commission to accept credit cards or Automatic Teller Machine (ATM) cards for the payment of their respective fees and charges for various services. Credit card payments may be made in person, by mail, or over the telephone. ATM payments are restricted to in-person payments with valid identification.

Administrative Code Section 10.11-3 currently authorizes the Department of Parking and Traffic to accept credit or ATM cards for many of its services. Credit card payments may be made in person, by mail, or over the telephone. ATM payments are restricted to in-person payments with valid identification.

Administrative Code Section 10.11-4 currently authorizes the Department of Animal Control to accept credit cards and ATMS (sic) cards for any license or registration or the payment of fees, penalties and other charges owed to Animal Control. Both ATM and credit card payments are restricted to in-person payments with valid identification.

The Administrative Code also currently requires any of the authorized departments wishing to accept credit or ATM card payments to request and obtain the prior approval of the Controller and the Treasurer, "prior to the establishment of any ATM or credit card or ATM card payment system."

Comments:

1. The following table summarizes the existing and proposed Administrative Code provisions for the use of credit, debit, or ATM cards to remit payment for City taxes or services:

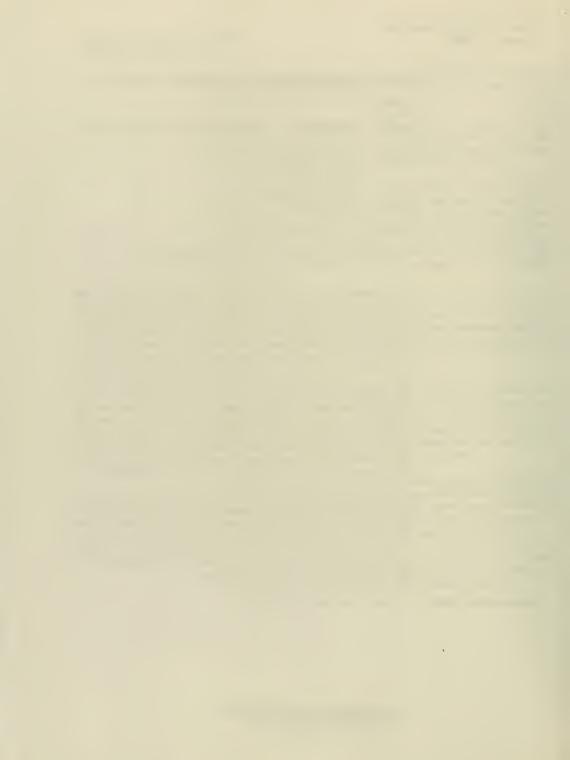
Departments authorized to accept credit, debit, or ATM cards:

Existing Admin Code					
Section	Department	Credit	Debit	ATM	Other
10.11-1	Public Health	х	-	_	_
10.11-2	Art Commission, Recreation & Park, a	l			
	Public Library	na x		x*	_
10.11-3	Parking & Traffic	X	-	x*	_
10.11-4	Animal Control	x*	-	x*	-
Proposed	Treasurer-Tax Collec	tor x	x	х	х

^{*}restricted to in-person payments with proper identification.

- 2. As shown above, the Department of Public Health is not currently authorized to accept ATM cards, but is authorized to accept credit cards, whereas the other departments authorized to accept credit cards are also authorized to accept ATM cards; the Department of Animal Care and Control is authorized to accept credit card payments only in person with valid identification, whereas the other departments listed are authorized to accept credit card transactions over the phone. The proposed ordinance (File 97-97-5) would authorize citizens to make payments to the Treasurer-Tax Collector by "other electronic means," in addition to credit, debit, or ATM cards. {Such 'other electronic means' might include financial management software programs which allow consumers to authorize payment (by credit card or direct transfer of funds) using their personal computers.}
- 3. Mr. Richard Sullivan, the Tax Collector, strongly supports this legislation. Mr. Sullivan notes that the public is expected to benefit by having new payment options become available, while the City could potentially receive and invest revenues paid by credit card sooner than it otherwise would, thus potentially increasing the interest which is earned by the City on its revenues and collections.

Recommendation: Approve the proposed ordinance.



Item 4 - File 60-97-2

REVISED February 3, 1997

Item:

Ordinance calling and providing for a Special Election to be held in the City and County of San Francisco on Tuesday, June 3, 1997 for the purpose of submitting to the voters propositions to incur the following bonded debts of (1) \$140,000,000 for the acquisition, construction and/or reconstruction of educational facilities used by the San Francisco Unified School District or City College of San Francisco; (2) \$48,000,000 for the acquisition, construction and/or reconstruction of San Francisco Zoo facilities and properties; (3) \$49,000,000 for the acquisition. construction and/or reconstruction of community cultural facilities which include such facilities as the Mission Cultural Center, Bayview Opera House, Center for African and African-American Art and Culture, South of Market Cultural Center, Art Commission Gallery, Gay/Lesbian Cultural Center, Native American Cultural Center and the Center for Asian Pacific American Arts and Culture; and that the estimated cost of said projects is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed by the annual tax levy; reciting the estimated costs of such projects; fixing the date of the election and the manner of holding such election and the procedure for voting for or against the propositions; fixing the maximum rate of interest on said bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; consolidating the Special Election with the Citywide June 3rd Special Election and providing that the election precincts, voting places and officers for the election shall be the same as for the Citywide June 3rd Special Election.

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Description:

The proposed ordinance would call for a Special Election in San Francisco on June 3, 1997 specifically to submit three General Obligation bond measures to the San Francisco electorate. The three General Obligation bond measures are: (1) \$140,000,000 for the Educational Facilities Bonds, (2) \$48,000,000 for the Zoo Facilities Bonds and \$49,000,000 for the Cultural Facilities Bonds. In January, 1997, the Board of Supervisors approved resolutions for each of these General Obligation bond measures. The proposed ordinance states that it will require two-thirds approval of all voters for passage of each of the General Obligation bond measures. In accordance with the proposed ordinance, the interest rates on these bonds will not exceed 12 percent.

BOARD OF SUPERVISORS
BUDGET ANALYST

In January, 1997, the Board of Supervisors also approved an ordinance calling for a Special Election on June 3, 1997 (File No. 60-97-1). The proposed ordinance, in accordance with the State Government Code, would consolidate the three General Obligation bond measures with the Special Election to be held on Tuesday, June 3, 1997.

Comments:

- 1. According to Ms. Germaine Wong, the Director of Elections, it is estimated to cost approximately \$910,000 to conduct the Special Election on June 3, 1997. The major costs include the expenses of preparing and mailing the voter information pamphlet, preparing and sending out the absentee ballots and opening up the polls Citywide on election day. Ms. Wong reports that she is in the process of submitting a request for a supplemental appropriation for these funds.
- 2. The Budget Analyst will review and report to the Finance Committee on the requested expenditure details in that supplemental appropriation ordinance, when that legislation is submitted to the Board of Supervisors.
- 3. As of the writing of this report, Ms. Wong reports that no measures have been approved for placement on the June 3, 1997 Special Election, other than the three General Obligation Bond measures discussed above.
- 4. Ms. Wong reports that the last Special Election was held in June, 1993. According to Ms. Wong, the June, 1993 Special Election, which contained only one ballot measure, cost approximately \$600,000 to conduct. Ms. Wong reports that the proposed June, 1997 election is anticipated to cost approximately \$910,000, or over \$300,000 more than the previous Special Election, because, in addition to inflation, there are more measures on the ballot, resulting in a larger voter information pamphlet and a longer ballot. In addition, Ms. Wong reports that there are likely to be more voters for the June, 1997 election.

Recommendation:

Approve the proposed ordinance.

Item 4 - File 60-97-2

Item:

Ordinance calling and providing for a Special Election to be held in the City and County of San Francisco on Tuesday, June 3, 1997 for the purpose of submitting to the voters propositions to incur the following bonded debts of (1) \$140,000,000 for the acquisition, construction and/or reconstruction of educational facilities used by the San Francisco Unified School District or City College of San Francisco; (2) \$48,000,000 for the acquisition, construction and/or reconstruction of San Francisco Zoo facilities and properties; (3) \$49,000,000 for the acquisition, construction and/or reconstruction of community cultural facilities which include such facilities as the Mission Cultural Center, Bayview Opera House, Center for African and African-American Art and Culture, South of Market Cultural Center, Art Commission Gallery. Gay/Lesbian Cultural Center, Native American Cultural Center and the Center for Asian Pacific American Arts and Culture; and that the estimated cost of said projects is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed by the annual tax levy; reciting the estimated costs of such projects; fixing the date of the election and the manner of holding such election and the procedure for voting for or against the propositions; fixing the maximum rate of interest on said bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; consolidating the Special Election with the Citywide June 3rd Special Election and providing that the election precincts, voting places and officers for the election shall be the same as for the Citywide June 3rd Special Election.

Description:

The proposed ordinance would call for a Special Election in San Francisco on June 3, 1997 specifically to submit three General Obligation bond measures to the San Francisco electorate. The three General Obligation bond measures are: (1) \$140,000,000 for the Educational Facilities Bonds, (2) \$48,000,000 for the Zoo Facilities Bonds and \$45,000,000 for the Cultural Facilities Bonds. In January, 1997, the Board of Supervisors approved resolutions for each of these General Obligation bond measures. The proposed ordinance states that it will require two-thirds approval of all voters for passage of each of the General Obligation bond measures. In accordance with the proposed ordinance, the interest rates on these bonds will not exceed 12 percent.

BOARD OF SUPERVISORS BUDGET ANALYST

In January, 1997, the Board of Supervisors also approved an ordinance calling for a Special Election on June 3, 1997 (File No. 60-97-1). The proposed ordinance, in accordance with the State Government Code, would consolidate the three General Obligation bond measures with the Special Election to be held on Tuesday, June 3, 1997.

Comments:

- 1. According to Ms. Germaine Wong, the Director of Elections, it is estimated to cost approximately \$910,000 to conduct the Special Election on June 3, 1997. The major costs include the expenses of preparing and mailing the voter information pamphlet, preparing and sending out the absentee ballots and opening up the polls Citywide on election day. Ms. Wong reports that she is in the process of submitting a request for a supplemental appropriation for these funds.
- 2. The Budget Analyst will review and report to the Finance Committee on the requested expenditure details in that supplemental appropriation ordinance, when that legislation is submitted to the Board of Supervisors.
- 3. As of the writing of this report, Ms. Wong reports that no measures have been approved for placement on the June 3, 1997 Special Election, other than the three General Obligation Bond measures discussed above.
- 4. Ms. Wong reports that the last Special Election was held in June, 1993. According to Ms. Wong, the June, 1993 Special Election, which contained only one ballot measure, cost approximately \$600,000 to conduct. Ms. Wong reports that the proposed June, 1997 election is anticipated to cost approximately \$910,000, or over \$300,000 more than the previous Special Election, because, in addition to inflation, there are more measures on the ballot, resulting in a larger voter information pamphlet and a longer ballot. In addition, Ms. Wong reports that there are likely to be more voters for the June, 1997 election.

Recommendation:

Approve the proposed ordinance.

Memo to Finance Committee February 5, 1997

Item 5 - File 101-96-36

Department: Public Defender

Item: Ordinance appropriating \$123,124 from the General Fund

Reserve for a projected budget deficiency in rental costs and

telephone services.

Amount: \$123,124

Source of Funds: General Fund Reserve

Description: The proposed ordinance would provide funding for a

scheduled rent increase at 555 7th Street in the amount of \$21,726, and telephone services in the amount of \$101,398 for the Public Defender's Office. According to Mr. Peter Keane of the Public Defender's Office, these items were inadvertently

not requested in the FY 1996-97 budget.

According to the Real Estate Department, the rent for the 555 7th Street property increased from \$48,909 per month to \$50,720 per month, effective July 1, 1996. The net increase over 12 months is \$21,726. This rental increase was included in the provisions of the lease agreement previously approved

by the Board of Supervisors.

According to Mr. Keane, the Department inadvertently failed to budget funds for telephone services in the FY 1996-97

budget.

Comment: Based on our review and analysis, we have projected a FY

1996-97 budget deficiency for rent and telephone as follows:

	Amount Approved in FY 1996-97	Actual Expenditures ¹	Projected Expenditures ²	Projected Budget <u>Deficiency</u>	Amount Requested	Budget Analyst Recommended Reduction
Rent	\$586,9083	\$304,317	\$304,317	\$21,726	\$21,726	-
Services of Departm	nents	405.000	фтт 000	400.050	#101.000	10.440
Telepho	ne <u>\$ 0</u> 4	<u>\$37,068</u>	<u>\$51,888</u>	<u>\$88,956</u>	\$101,398	<u>12,442</u>
Totals	\$586,908	\$341,385	\$356,205	\$110,682	\$123,124	\$12,442

- Recommendations: 1. In accordance with the above table, amend the proposed supplemental appropriation ordinance to reduce Services of Other Departments - Telephone by \$12,442 from \$101,398 to \$88,956 and reduce the total request of \$123,124 by \$12,442 to \$110,682.
 - 2. Approve the proposed ordinance as amended.

¹ July 1, 1996, through December 31, 1996, for Rent. July 1, 1996, through November 30, 1996 for Telephone.

² January 1, 1997, through June 30, 1997, for Rent. December 1, 1996, through June 30, 1997, for Telephone.

³ This figure was obtained by calculating the amount that should have been budgeted without the property rent increase (\$48,909 X 12 months).

⁴ Inadvertently not requested.

Item 6 - File 101-96-37

Department: Fire Department

Item: Supplemental Appropriation Ordinance rescinding and appropriating \$110,675 of 1986 Fire Protection Bond interest

earnings to fund a portion of the City's match of the Hazard

Mitigation Grant projects for the Fire Department.

Amount: \$110,675

Source of Funds: 1986 Fire Protection Bond interest earnings

Description:

The Board of Supervisors previously approved a resolution (No. 812-92) in September of 1992 authorizing the Department of Public Works, on behalf of the Fire Department, to accept and expend a total of \$4,971,000 in four State Hazard Mitigation Grants from funding provided

by the Federal Emergency Management Agency (FEMA). One of the four grants, in the amount of up to \$500,000, is to be used for the installation of 20 emergency generators located at various Fire Stations and other Fire Department

facilities.

Regarding the emergency generators, according to Mr. John Sucich of DPW, in June of 1995, the State provided an additional \$266,000 for a total Hazard Mitigation Grant to the Fire Department of \$766,000 (\$500,000 plus \$266,000), so that the Fire Department could increase the size of its 20 generators and provide automatic transfer switches. The new design would automatically turn on the generators during power outages and provide sufficient power to run all electrical equipment within each of the 20 Fire Stations and other Fire Department facilities. Under the terms of the grant, State funds provide 50 percent of the total estimated project costs of \$1,532,000, or \$766,000, excluding indirect costs. The City is required to fund the remaining 50 percent or \$766,000, plus indirect costs in the amount of \$51,675, or a total of \$817,675.

The funding source for the City's required match of \$817,675 has been interest earned on Fire Protection Systems Improvement General Obligation Bonds (Proposition A), approved by San Francisco voters in November of 1986, in the amount of \$46.2 million, to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, cisterns, pipelines, pump stations and

the City's fireboats which will provide a source of water for fire protection.

The City sold \$31 million of these bonds in 1987 and \$15.2 million in 1991, for a total of \$46.2 million in Fire Protection System Improvement Bonds. The proposed ordinance would rescind \$110,675 in surplus funds from \$2,490,000 in Fire Protection System Improvement Bond funds appropriated for the AWSS in August of 1994 (File No. 101-94-6). The \$2,490,000 was generated from interest earned on 1986 Fire Protection System Improvement Bonds. Chief Demmons of the Fire Department has stated that the AWSS Extension Project¹, the project for which the \$2,490,000² was appropriated, is nearly complete and no additional funds are needed to complete the project. This proposed supplemental appropriation request would approve an appropriation of \$110,675 of the previously appropriated \$2,490,000 to fund a portion of the City's match of the Hazard Mitigation Grant.

According to Assistant Deputy Chief Frank Scales of the Fire Department, thus far, the City has appropriated \$707,000 out of the City's total required matching funds of \$817,675 for the emergency generator project. This proposed appropriation of \$110,675 would provide the balance of the City's matching funds required for this project.

The requested \$110,675 in local match funds would be used to supplement previously allocated grant and local match funds in the amount of \$379,265 for a total of \$489,940, which would be used to procure and install four of the 20 emergency generators, at an average cost of \$122,485 per installation, at the following Fire Department sites:

Fire Station 28 Bureau of Equipment Repair Fire Boat Headquarters Fire Station 26

Of the total project cost of \$489,940 for the four emergency generators, the City pays \$34,964 of indirect costs. The

¹The AWSS Extension Project is a project to extend an AWSS pipeline on Ocean Avenue from Phelan Avenue to Mission Street and Norton Street. When the project is completed, the AWSS in the southeast side of the City will be directly connected to the west side of the City (the Sunset District).

 $^{^2}$ \$2,090,000 of the \$2,490,000 previously appropriated was placed on reserve. To date, \$1,929,421 has been released, leaving a balance of \$160,579 on reserve. This subject request would rescind \$110,675 of the \$160,579 on reserve and reappropriate those funds to the Hazard Mitigation Grant Project.

> balance of \$454,976 is to be funded 50 percent each by the City and the State, or \$227,488 each.

Budget:

A detailed budget for the four emergency generators is shown in Attachment I.

Comments:

- 1. The installation of the emergency generators and related equipment and facilities at the four locations is being divided into two contracts. Four bids were received for the installation work at three of the locations, namely, Fire Station 28, the Bureau of Equipment Repair, and the Fireboat Headquarters, as shown in Attachment II to this report. The low bid of \$328,000 was submitted by L.C. Electric, Inc., an MBE/WBE firm.
- 2. An Invitation for Bids is planned separately for Fire Station 26. The estimated installation cost for Fire Station 26. is \$50,000, as shown in Attachment I. Since bids have not been received for that installation, 50 percent of the \$50,000 amount, which represents the City's matching funds of \$25,000, should be reserved pending the selection of a contractor, the determination of the actual bid amount, and the contractor's MBE/WBE/LBE status.

- Recommendations: 1. Amend the proposed ordinance to reserve \$25,000 pending the selection of a contractor, the determination of the actual bid amount, and the MBE/WBE/LBE status of the contractor regarding Fire Station No. 26.
 - 2. Approve the proposed ordinance as amended.

SFFD Emergency Generators - HMGP110 Projected Funding for Fire Sta. 26, 28, Bureau of Equipment and Fireboat Headquarters

Expenditure Plan

Construction, FS 26	\$50,000.00
Construction, FS 28, Bu. Eq. & FB Hdqtr	328,000.00
Construction Contingency	32,800.00
Electric Service (By PG&E via PUC)	7,700.00
Permits (BCDC, DBI)	5,452.22
Labor (See Breakdown Below)	65,987.71
Total Project Cost	\$489,939.93

Labor Breakdown

Class	Title	Cost/Hour	Hour	Cost
	DPW Bureau of Engineering			
5206	Assoc. Civil Engineer	29.85	46	\$1,373.10
5236	Assist. Electrical Engineer	25.18	132	3,323.76
5238	Assoc, Electrical Engineer	23.88	40	955.20
5242	Senior Electrical Engineer	39.99	12	479.88
5256	Mechanical Engineer	34.55	13	449.15
5506	Project Manager III	42.26	110	4,648.60
	Mandatory Fringes and Overhead (BOE)			12,695.17

Class	Title	Cost/Hour	Hour	Cost
	DPW Bureau of Construction			
	Management			
1312	Public Information Officer	28.15	50	\$1,407.50
5206	Assist. Civil Engineer	29.85	4	119.40
5208	Civil Engineer	34.55	69	2,383.95
5305	Materials Testing Lab. Technician	21.425	117	2,506.73
6318	Construction Inspector	34.075	356	12,130.70
Various	Clerks and Secretaries	17.80(Avg.	70	1,246.00
	Mandatory Fringes and Overhead			
	(BCM)			22,268.57
	Total Labor			\$65.987.71

City and County of San Francisco Department of Public Works

Tabulation of Bids

ECIFICATION NO .:

7216EB (for Fire Station 28, the Bureau of Equipment Repair and the

Fireboat Headquarters)

TLE:

Various Fire Department Facilities Emergency Generators for Hazard Mitigation

TUN 54 , 64 M3: 31EU CORE DEMEROF EKONECT MENERGENETA

Contract B.

OS RECEIVED:

07/24/96

DDERS:

LC Electric, Inc. Mike Brown Electric Angottl & Reilley, Inc. Kingston Constructors MBE/LBE No pref. LBE LBE

328,000 331,000 362,539 405,500

Base Bid

356,760 Average Bid: 350,000 Engineer's Estimate: 102% % of Engineer's Estimate:

PPARENT LOW BIDDER:

LC Electric, Inc. 1555 Yosemite Avenue, #44

San Francisco, CA 94124 Tel. (415) 822-6306

UBCONTRACTORS:

Marinship **Energy Systems** · Empire Electric

Concrete work Generator Electrical

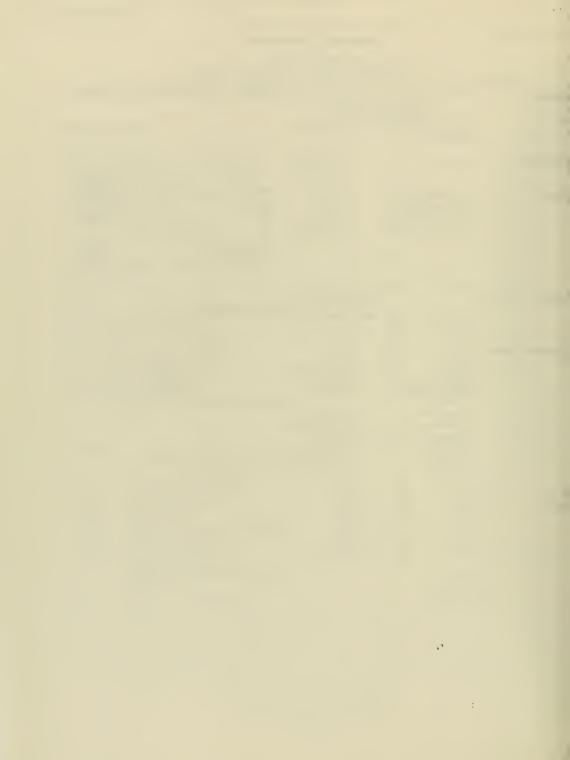
40,700 98,280 30,000

Robert Jew Mark Primeau Unda Chin Harlan Kelly Mike Quan

All Bidders

Helen Lul DPW Accounting Don Eng Foon Chow Nelson Wong Bob Swanstrom

C:lc 24-Jul-96



Item 7 - File 101-96-38

Department:

Medical Examiner/Coroner

Item:

Ordinance appropriating \$90,732 for the Medical Examiner/Coroner from the General Fund Reserve, to purchase equipment.

F ------

Amount:

\$90,732

Source of Funds:

General Fund Reserve

Description:

The proposed supplemental appropriation in the amount of \$90,732 is being requested for the purchase of one mass spectrometer and related equipment and services. According to Dr. Boyd Stephens, the City's Coroner/Medical Examiner, forensic toxicology for judicial purposes and for employee testing legally requires that drugs be confirmed using mass spectroscopy. The mass spectrometer splits the drug molecule into specific and unique recognizable molecular fragments, allowing computer assisted identification. The likelihood of any error is small, and the technique allows review by an independent expert in cases of doubt.

The Medical Examiner currently has two mass spectrometer units, both manufactured by the Hewlett-Packard Company. One unit has been in service for eight years and, according to Dr. Stephens, is rapidly approaching the end of its service life. Dr. Stephens reports that the second unit, which has been in service for 12 years, is technically outdated, inefficient to operate because of its limited library and hard disk, and is no longer supported by Hewlett-Packard. Dr. Stephens reports that if the older unit require repairs, such repairs could only be accomplished using the few parts which the Medical Examiner has on hand, since Hewlett-Packard no long manufactures the replacement parts.

The proposed supplemental would fund the replacement of the 12 year old mass spectrometer unit, which as previously stated, is no longer supported by the manufacturer.

Budget:

The mass spectrometer unit, related hardware, required software, and various other costs are quoted in the amount of \$90,732 by Hewlett-Packard, as shown in the Attachment to this report.

Comments:

1. The FY 1995-96 Civil Grand Jury Report (File 39-96-2) contains the recommendation that the San Francisco Medical Examiner/Toxicology Laboratory "seek funds to replace those

instruments that have passed their life expectancy and update necessary equipment."

- 2. According to Dr. Stephens, because of its limitations, the existing mass spectrometer that would be replaced is only used for amphetamine and cocaine confirmation and quantification. Dr. Stephens advises that the new mass spectrometer would be used for confirmation and quantification of all drugs that can be analyzed by molecular fragmentation.
- 3. According to Dr. Stephens, in comparison to operating the existing mass spectrometer, any additional costs of operating the proposed new mass spectrometer would not be material and would be absorbed by the Department's existing budget.

Recommendation: Approve the proposed ordinance.



Quote Number: 4408-82359 City and County of San Franc Quote Date: DEC 18, 1996

Last Revised: 12-18-96 19:07

PAGE 1 OF

Customer:

City and County of San Francisco

SF Medical Examiner/Coroner

850 Bryant Street

San Francisco, CA 94103

Attn: Dr. Boyd Stevens (415)553-1799

CC: Elin Lin 415-553-9009

HP Contact:

Bret Kiefaber

Hewlett-Packard Company 321 E. Evelyn Ave., Bldg #330

Mountain View, CA 94039-7051

(415) 694-3445

Terms:

Net 30 days, subject to credit approval All list prices are for U.S.A end use only. All list prices are firm for 60 days. This quotation is subject to HP terms and

conditions of: E16 930601

Customer

Reference:

Two HP 5973 GC/MSD Systems

FOB:

Destination

Please Submit Purchase Order to:

Hewlett-Packard Company Analytical Business Center

2850 Centerville Road M/S# 37

Wilmington, DE 19808-1610

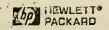
FAX: 1-302-633-8954

(800) 628-1971

Authorized by:

Bret Kiefaber

SALES REPRESENTATIVE



Quote Number: 440B-82359 City and County of San Fra Quote Date: DEC 1B, 1996 Last Revised: 12-18-96 19:

PAGE 2 OF

Product Suffix Unit Extended
Item Qty Description Price Price

Don't forget, with your next instrument purchase (GG, LC, MS, CE, AED, ICP-MS, UV-VIS, or SFE) you will receive a 20% discount on ALL HP Columns and Supplies. See your HP Sales Representative for more details.

Prices quoted include prepaid HP standard transportation. Taxes, if applicable, are not included. Payment on partial shipments will be considered acceptable unless otherwise noted on your purchase order. Please note on your order your requested delivery date. This quotation is subject to the Terms and Conditions of Hewlett-Packard's Exh. E16 or buyer's purchase agreement.

Please reference Hewlett-Packard's quote number, purchase agreement (if applicable) and item sequence on any resulting purchase order. Please contact your HP Sales Representative for technical questions.

Please include your END USER CONTACT NAME and PHONE NUMBER for the support of your product(s) on your purchase order. The end user contact is the individual HP will be contacting for product support information.

End User Contact Name

Phone Number

0100

G1723A Delivery:17 weeks 65,900.00
HP6890/5973 GC/MS/DS Performance System.
Includes: HP5973 MSD turbo-pump
mainframe, HP6890 GC, Vectra Pentium PC,
Operating software and LaserJet printer.

900.00 65,9000



Quote Number: 440B-82359 City and County of San Franc Quote Date: DEC 18, 1996 Last Revised: 12-18-96 19:07

PAGE 3 OF

[tem	Qty	Product Suffix Description	Unit Price	Extended Price
	1	Option 04V Software Telephone Support + Updates provides call-back telephone assistance for Analytical software, any software revision updates, license to use these updates, and associated documentation.	1,032.00	1,032.00
)200	1	G1916A Delivery:4 weeks Autosampler for HP 6890 GC includes controller, injector, 100 sample tray, communication cables, mounting bracket for HP 6890, and start-up consumables.	9,350.00	9,350.00
)300	1	59864B Delivery:17 weeks Ion Gauge Controller For use with HP5973 MSD and HP5972A MSD.	1,330.00	1,330.00
)400	1	G1042A Delivery:3 weeks Pfleger MS Drug Library Upgrade includes 4,370 compounds. Requires 4.5MB. Must specify registration number of previous version. "Requires 4.5MB of disk space. CD-ROM."	2,970.00	2,970.00
0500	1	G1035A Delivery: 3 weeks Wiley 6th Edition MS Spectral Library includes 275K spectra. Requires 91MB for condensed. 143MB of free disk space for Full and Condensed CD ROM.	4,045.00	4,045.00
3600	1	G1036A Delivery: 3 weeks NIST Chemical Structures Library includes 61K chemical structures. Requires MS library with CAS notation. CD ROM.	· 805.00	805.00
)700	2	19448A Consulting Service. Eight hours of consulting service.	1,900.00	3,800.00
)800	7	H5949A Supplemental Installation - 1 hour labor, for Chemical Analysis products. Labor only; no travel included.	180.00	1,260.00

Quote Number: 4408-82359 City and County of San Fr: Quote Date: DEC 18, 1991 Last Revised: 12-18-96 19

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PAGE 4 OF

Item	Oty	Product Suffix Description	Unit Price	Extende Price
0900	1	H5917A Zone 2 Travel Charge Round trip travel charges from HP office site for mileage within a 26 and 50 mile radius.	240.00	240)1
		*** GROSS AMOUNT:		\$90,7320
		*** GRAND TOTAL:		\$90,7310

Memo to Finance Committee February 5, 1996 Meeting of Finance Committee

Items 8 & 9 - Files 101-96-39 & 102-96-8

Department: Division of Mental Health Services
Department of Public Health (DPH)

Items: File 101-96-39: Ordinance appropriating \$100,000 to salaries,

fringe benefits, travel, training, professional services, other current services, materials and supplies and equipment for a

suicide prevention program.

<u>File 102-96-8</u>; Amendment to the FY 1996-97 Annual Salary Ordinance reflecting the creation of one new position, Class 2823 Mental Health Educator, in the Department of Public

Health, Division of Mental Health.

Amount: \$100,000

Source of Funds: State of California, Department of Mental Health

Description: The proposed supplemental appropriation (File 101-96-39)

would approve the expenditure of \$100,000 for development of a suicide prevention training package for use by public and private mental health professionals and others, including schools and families involved with prevention of suicide in atrisk individuals. Dr. Tina Yee of the DPH Division of Mental Health Services advises that the State Department of Mental Health allocated this additional \$100,000 to the City in September of 1996, as an amendment to the annual State contract with the City's DPH Division of Mental Health Services. Dr. Yee reports that the suicide prevention training package would be developed and tested in San Francisco County, with the goal of eventual distribution by the State

Department of Mental Health throughout California.

One new limited tenure position would be created to plan, develop, write and test the suicide prevention training package. The amendment to the FY 1996-97 Annual Salary Ordinance (ASO) (File 102-96-8) would create one Class 2823 Mental Health Educator position, at an annual salary of \$55,985 at the top step, in the DPH Division of Mental Health. (See Comment No. 1.) This position would be assisted by a graduate student intern, who would be hired under Temporary Salaries. (See description of Budget, below).

Memo to Finance Committee February 5, 1996 Meeting of Finance Committee

Budget:

The proposed budget would be for the period from January 2, 1997 through June 30, 1997, as follows:

Personnel	
1 FTE Class 2823 Mental Health Educator	
(January 2, 1997 through June 30, 1997)	\$27,671
Temporary Salaries: graduate student intern	·
(stipend for 9 months, approximately 16	
hours per week, or approximately 576 hour	s
at \$6.72 per hour)	3,869
Mandatory Fringe Benefits	8,060

Subtotal Personnel	\$39,600
	φου,ουο

800
2,000
300
44,800
3,000
5,000
4,500

Su	btotal 1	Non-P	ersonnel	Expenses	\$60,400

\$100,000

TOTAL PROJECT BUDGET

The proposed amendment to the ASO (File 102-96-8) would add one new Class 2823 Mental Health Educator, as follows:

			Maximum
No. of		Bi-weekly	Annual
Positions	Title	Salary	Salary
1	Mental Health Educator	\$1,765 - \$2,145	\$55,985

The \$800 travel budget includes \$480 for the project staff to travel to Los Angeles twice to consult with other counties developing additional materials in suicide prevention, as well as mileage or car rental for trips to rural areas of California, where project staff must do consultations. In addition, \$300 is budgeted for employee field expenses such as long distance telephone calls.

Dr. Yee advises that the \$2,000 training budget would be used primarily for training expenses, such as meeting space rental, associated with pilot testing of the suicide prevention training materials prior to completion of the project. Dr. Yee states that such pilot testing will involve meeting with up to 60 mental health practitioners in various parts of the State.

BOARD OF SUPERVISORS BUDGET ANALYST

Dr. Yee states that the DPH expects to contract with various firms to assist with the development of the suicide prevention training materials, at a total estimated cost of \$44,800. Dr. Yee advises that the DPH expects to amend an existing contract with the nonprofit organization Instituto Familiar de la Raza for assistance in coordination of various subcontractors who will be retained to contribute sections of the training materials. Dr. Yee states that Instituto Familiar de la Raza is expected to administer approximately \$29,800 for this purpose, which will be allocated to various subcontractors, to be selected by the DPH Division of Mental Health Services. The balance of \$15,000 will be allocated to a contract with the Center for Elderly Suicide Prevention, for preparation of a major piece of the suicide prevention training package, according to Dr. Yee. Dr. Yee advises that this organization was selected based on its unique expertise regarding suicide prevention among the elderly.

Dr. Yee states that the DPH expects to purchase materials and supplies associated with assembling the suicide prevention training materials, at an estimated cost of \$5,000. The project budget also includes \$4,500 for purchase of a laptop computer and related software. Dr. Yee states that the project staff will use the laptop computer to record data obtained at meetings in the field. Dr. Yee further advises that the State will permit the DPH Division of Mental Health Services to keep the laptop computer after the completion of the project.

Comments:

- 1. Dr. Yee reports that the DPH Division of Mental Health Services hired a Class 2823 Mental Health Educator who had been serving in this classification under an existing grantfunded position which expired on December 31, 1996 to begin working on the subject suicide prevention training project as of January 2, 1997. Therefore, the proposed ordinances should be amended to provide retroactive authorization.
- 2. Dr. Yee reports that the DPH Division of Mental Health Services currently contracts with a nonprofit organization called San Francisco Suicide Prevention to fund a 24-hour suicide crisis telephone line, and information and referral services, at a cost of \$187,765 in FY 1996-97. Dr. Yee advises that San Francisco Suicide Prevention provides direct suicide prevention services under that contract, while the proposed suicide prevention training program would fund development of training materials to assist mental health practitioners and others involved with people at risk of committing suicide.

Memo to Finance Committee February 5, 1996 Meeting of Finance Committee

- 3. Dr. Yee reports that the State Department of Mental Health has approved the proposed project budget and the allocation of \$100,000 for the purposes of implementing this project. Dr. Yee states that no General Fund monies will be used to fund the subject project.
- 4. Dr. Yee advises that the subject project is scheduled to be completed by June 30, 1997. Therefore, Dr. Yee states that the proposed new 2823 Mental Health Educator position will not be included in the FY 1997-98 DPH budget.

- Recommendations: 1. Amend the proposed ordinances (Files 101-96-39 and 102-96-8) to provide retroactive authorization.
 - 2. Approval of the proposed ordinances is policy decision for the Board of Supervisors, because of retroactive approval would be required.

Item 10 - File 101-96-40

Department: Art Commission

Item: Supplemental appropriation ordinance to restore a sculpture

at St. Mary's Square.

Amount: \$13,000

Source of Funds: General Fund Reserve

Description:

The sculpture of Sun Yat Sen in St. Mary's Square sustained damage in September of 1996. The damage, an act of vandalism, was caused by cottonseed oil, which was poured over a significant area of the sculpture. The Art Commission requested that Ms. Genevieve Baird, a professional fine arts conservator, inspect the sculpture and provide a proposal for treatment. Upon inspecting the sculpture, Ms. Baird reported that the sculpture needed to be treated within six to eight weeks in order to avoid further deterioration from the cottonseed oil, and that additional restorative work to preserve the general condition of the sculpture was needed. By request of the Art Commission, Ms. Baird began repairing the sculpture on December 1, 1996, and completed the

According to Ms. Baird, the removal of the cottonseed oil required the following actions:

restoration, including the work to preserve the general

condition of the sculpture, on December 17, 1996.

- Washing the base of the sculpture and the surrounding cement walkway to remove surface oil;
- Poulticing¹ out the oil which had soaked into the pedestal of the sculpture; and
- Applying a protective/anti-graffiti coat to the synthetic stone elements of the sculpture.

Additional repairs necessary to restore the general condition of the sculpture other than cleaning the cottonseed oil included:

 Washing the entire sculpture to remove pigeon guano and grime layers;

¹ Poulticing is the process of applying a thick substance to an object which then cleanses the pores or cracks in the object.

- Removing graffiti;
- Removing elements causing corrosion:
- Applying an anti-corrosion coat; and
- Applying an anti-graffiti coat to the natural stone elements of the sculpture.

Budget:

The Art Commission reports that the costs to remove the cottonseed oil, in addition to restoring the general condition of the sculpture, are as follows:

Labor	
(160 hours @ \$46.56 per hour)	\$7,450
Equipment Rental	1,785
Materials	1,308
Per Diem	1,528
Travel	78
Photography	89
Administration	650

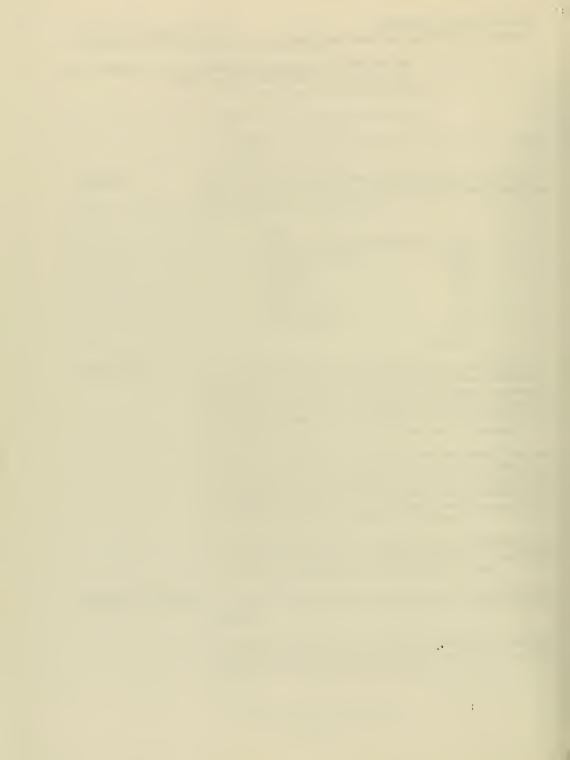
\$12,888

Comments:

- 1. According to Ms. Baird, cottonseed oil is a semi-drying oil that will, on contact with oxygen and air-borne pollutants, thicken into a gel which is difficult to eliminate, especially from the stone interior. According to Ms. Baird, the oil film would require the use of extremely harmful chemicals and potentially hazardous treatments if not quickly repaired.
- 2. Ms. Debra Lehane of the Art Commission reports that the Commission selected Ms. Baird to repair the sculpture on a sole source basis. According to Ms. Lehane, Ms. Baird was chosen because she is trained specifically for restoration, was immediately available, and was already under contract with the Art Commission to provide other services.
- 3. As previously noted, the restoration of the sculpture was completed on December 17, 1996. Therefore, the proposed ordinance should be amended for retroactive action.

- Recommendations: 1. Amend the proposed supplemental appropriation ordinance to reduce the amount by \$112, from \$13,000 to \$12,888.
 - 2. Amend the proposed ordinance to provide for retroactive action since all of the work has been completed and the expenditures have already been incurred.

3. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.



Item 11 - Files 216-95-1.2

Note: This item was continued by the Budget Committee at its meeting of January 29, 1997.

Item:

Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) A subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC is to be constructed; and amending Section 6 of Ordinance No. 80-96 to provide an elevation adjustment to Assessor's Block 759, Lot 1 (the "Hayward Playground"), to allow for the construction of the underground parking structure for the CECC.

Description:

The City and County of San Francisco is planning to consolidate its emergency services communications functions in the Police Department, Fire Department, Department of Public Health, Paramedic Division, Department of Parking and Traffic, and the Mayor's Office of Emergency Services into a Combined Emergency Communications Center (CECC), scheduled to be completed in 1999. The CECC will house the 911 emergency call-taking activities, and the combined dispatch of Police, Fire, Emergency Medical, and Traffic Control operations.

Findings

The Board of Supervisors, pursuant to Section 6a of Article XIV of the 1898 and 1929 Charters, Sections 11.101 and 11.102 of the 1932 Charter, and Section 18.01 of the 1996 Charter, has the authority to select and set aside, by ordinance, real property in the Hayward Playground, formerly known as Jefferson Square, for the construction of buildings and related improvements to serve as a central communications center to allow for effective responses to City-wide emergencies.

By Ordinance No. 80-96, dated March 3, 1996, the Board of Supervisors found that the construction and operation of the new CECC is a use for which real property in the Hayward Playground may be set aside under the Charter. Because the present Central Fire Alarm Station and the Interim Emergency Command Center Site must remain operational during the construction period of the new CECC, the Board of

Supervisors allocated other real property in the Hayward Playground for construction of the new CECC.

By Ordinance No. 80-96, the Board of Supervisors also determined that upon completion of the CECC, the existing Central Fire Alarm Station and the interim Emergency Command Center would be demolished and replaced with certain recreation facilities. The Board further determined that jurisdiction of the recreation facilities site would be transferred to the City's Recreation and Park Commission upon completion of the new recreation facilities, except for the subsurface area which would be retained by the Department of Telecommunications and Information Services.

In selecting and setting aside the additional property for the CECC, the Board of Supervisors established the policy that any further set-aside of Hayward Playground property could only be for boundary adjustments or for other reservations of subsurface space that may be necessary for the design, construction, or operation of the CECC and do not significantly interfere with the recreation purposes of such property.

In designing the CECC, the Bureau of Architecture of the Department of Public Works has determined the following:

- 1. The existing sewer line servicing the Central Fire Alarm Station and Emergency Command Center is inadequate for the new CECC building and will need to be replaced with a new subsurface sewer line to be located closer to the CECC.
- 2. The underground parking structure to be constructed for the CECC building, consisting of 57 parking spaces, will need to be at its highest point two feet above the existing floor slab in the Central Fire Alarm Station.
- The underground parking structure will require an emergency right-of-way for ingress and egress to and from Octavia Street.
- 4. An aerial encroachment area is necessary for overhangs and building movement over the southern boundary of the property.

The Recreation and Park Department has reviewed the proposed property and boundary adjustments and

BOARD OF SUPERVISORS BUDGET ANALYST determined that they do no significantly interfere with the recreational purposes of the property.

Effects of Proposed Ordinance

The proposed ordinance would (a) amend Section 6 of Ordinance No. 80-96, as described in point number one below, (b) effect adjustments to the area set aside for the CECC at the Hayward Playground, as described in point numbers two, three, and four below, and (c) establish property jurisdictions, as described in point number five below.

- 1. Section 6 of Ordinance No. 80-96 would be replaced in its entirety. Pertinent changes are as follows:
 - a. Reference to the total demolition of the present Central Fire Alarm Station and the Interim Emergency Command Center is changed to the demolition of only the first story of those two existing buildings. (The structures below the first stories of the two buildings include communications vaults and other facilities that the City wishes to retain).
 - b. Reference to the right of the Department of Telecommunications and Information Services to use the area below the new recreation improvements is changed to the area commencing at two feet above the existing first floor slab of the Central Fire Alarm Station. (The additional two feet would provide space for the construction of a new roof and new roof structure).
 - c. Reference to the Real Estate Department Map No. 2 is changed to the "Site Map." The proposed ordinance further specifies that the above-referenced "Site Map" is the map filed with this proposed ordinance (the Attachment) and not the map filed with Ordinance No. 80-96.
- 2. The subsurface area shown in the Site Map (see "New Sewer Line" in the "Attachment") for the purpose of installing, operating, and maintaining an underground, ten-foot wide, sewer line to service the CECC would be set aside.

BOARD OF SUPERVISORS BUDGET ANALYST

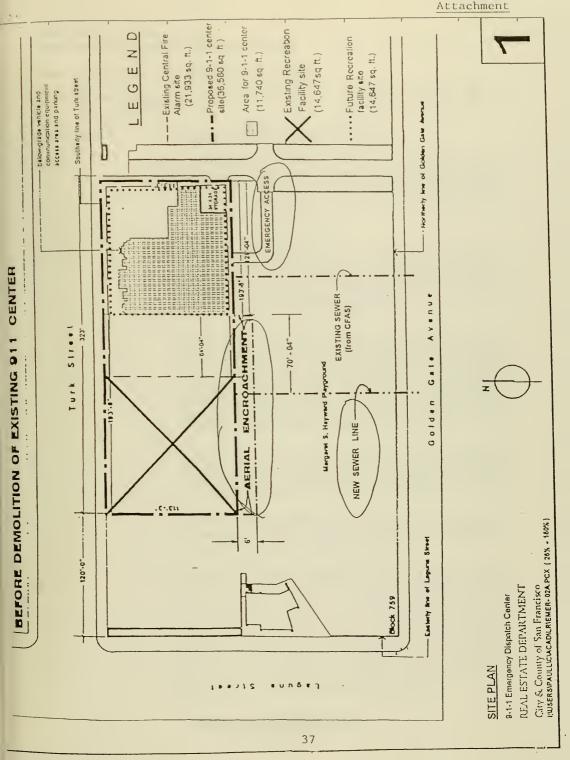
- 3. The area designated on the Site Map (see "Emergency Access" in "Attachment") for the purpose of installing, operating, and maintaining a vehicular emergency right-of-way for ingress and egress to and from Octavia Street would be set aside.
- 4. The area necessary to allow for an encroachment area extending no more than 72 inches for overhangs and movement of the CECC over the southerly boundary of the property would be set aside (see "Aerial Encroachment" in "Attachment"), provided that the overhang encroachment does not interfere with existing structures.
- 5. All of the areas selected and set aside by this proposed ordinance would be under the jurisdiction of the Department of Telecommunications and Information Services, successor to the Department of Electricity and Telecommunications. Further, all areas selected and set aside under Ordinance No. 80-96 and formerly placed under the jurisdiction of the Department of Electricity and Telecommunications would be under the jurisdiction of the Department of Telecommunications and Information Services.

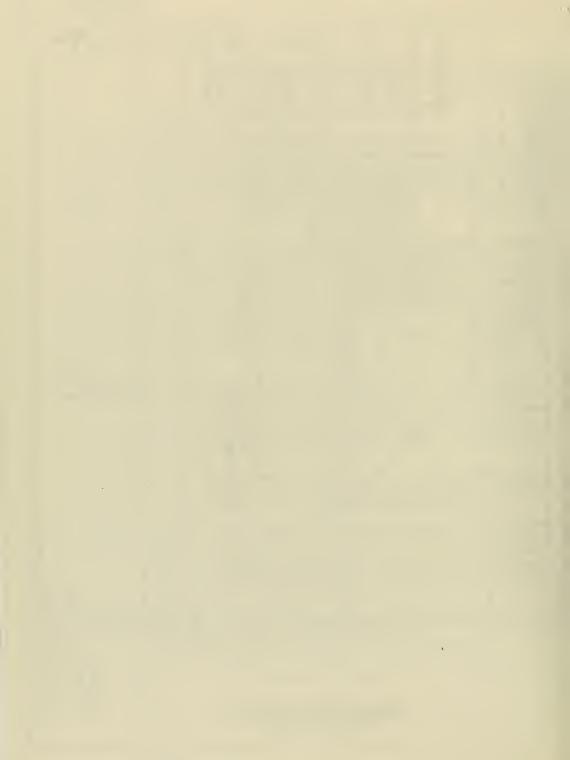
Comments:

- 1. According to Mr. Paul Travis of the Bureau of Architecture, the cost of the proposed new sewer line is estimated to be \$30,000 and the cost of the proposed vehicular emergency right-of-way for ingress and egress is estimated to be \$20,000, which would be funded using 911 Dispatch Center Project funds.
- 2. This Item, File 216-95-1.2, is a companion to Item No. 12, File 170-96-10, which is also on the Finance Committee calendar for the meeting of February 5, 1997.
- 3. In summary, the proposed ordinance would set aside certain real property in the Hayward Playground required by engineering refinements made by the Bureau of Architecture. The proposed property to be set aside would not, according to the Recreation and Park Department, significantly interfere with the recreational purposes of the property.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Memo to Finance Committee February 5, 1997 Finance Committee Meeting

Items 12 and 13 - File 170-96-10 and 127-97-1

Note: These items were continued by the Budget Committee at its meeting of

January 29, 1997.

Department: Department of Administrative Services

File 170-96-10: Proposed ordinance to authorize lease Item: financing in an aggregate principal amount not to exceed \$25.0 million to finance the construction of the Combined Emergency Communications Center (CECC), also referred to

The proposed ordinance would:

as the 911 Dispatch Center.

- · rescind a prior ordinance that created a master lease for both the Citywide 800 Megahertz Radio System and the 911 Dispatch Center (ordinance No. 208-94) so that separate project leases and financing can be established for the new 911 Dispatch Center alone:
- approve lease agreements between the San Francisco Finance Corporation and the City for the construction of the 911 Dispatch Center and the leasing of the completed 911 Dispatch Center by the City (the San Francisco Finance Corporation is a non-profit organization established for purposes of issuing and managing various forms of bonded or lease-backed debt for equipment and facilities that are lease-purchased by the City);
- approve the issuance of lease revenue bonds by the San Francisco Finance Corporation for the construction of the 911 Dispatch Center and a continuing disclosure agreement related to the bond issuance; and,
- approve an Official Statement related to the issuance of lease revenue bonds and the execution of documents in connection with the matters described above.

File 127-97-1: Proposed ordinance amending the Municipal Code, Part III. Article 10A to increase the estimate of total projects costs for which 911 Emergency Response Fee Revenue can be used for the 911 Dispatch Center from \$57,851,000 to \$67,153,821 and to increase the cap on 911 Emergency Response Fee revenue from \$49.0 million to \$60.0 million. The 911 Emergency Response Fee is the \$.50 per month per phone line fee on residential and commercial telephone users in San Francisco that will provide partial funding for the entire 911 Dispatch Center project.

Description:

Total project costs for the 911 Dispatch Center are now an estimated \$71,184,821, including \$67,153,821 in costs that can be partially offset (in the amount of approximately 82 percent) by the 911 Emergency Response Fee revenue, and \$2,031,000 in Community Mitigation Costs plus \$2,000,000 in Information System costs that cannot be included in the total costs that can be offset by the 911 Emergency Response Fee revenue. The \$71,184,822 total includes total debt service of approximately \$51.0 million on a bond principal amount of approximately \$35 million.

The current total project cost estimate of \$71,184,821 exceeds previously reported estimates of \$59,975,947 million by \$11,208,874. Therefore, the Department of Administrative Services is requesting approval of the proposed amendment to the 911 Emergency Response Fee ordinance to increase the cap on total revenues that can be collected by \$11.0 million, from \$49.0 million to \$60.0 million. Such an increase would permit collection of additional fee revenue in order to avoid the necessity for an increase in General Fund costs for the project (see Comment 3). Also, the 911 Emergency Response Fee ordinance would be amended to permit the use of alternative funding sources without reducing the amount of 911 Emergency Response Fees that could be collected. Under the existing ordinance, use of such alternative funding sources would reduce the total 911 Emergency Response Fees that could be collected on a dollar for dollar basis.

The amount of this first proposed lease revenue bond issuance shall not exceed \$25.0 million (actual issuance amount is anticipated to be \$23,750,000), the proceeds of which will be used for construction of the 911 Dispatch Building at the Margaret S. Hayward Playground site (in the block bounded by Golden Gate Avenue, Gough Street, Turk Street and Laguna Street). A subsequent bond issuance in the amount of approximately \$10.0 million for Mobile Computing Terminals (MCTs), Automated Information System (AIS) records management hardware, and Computer Aided Dispatch (CAD) hardware is expected to be requested in approximately June, 1998.

As previously noted, this initial bond issuance of \$23,750,000 is intended to provide funding for the construction of the 911 Dispatch Center building. The projected estimated sources and uses of the bond proceeds for this <u>initial</u> issuance are shown in the table on the following page. (See Comment 1 for a presentation of the revised total project costs of \$71,184,821).

Sources and Uses of Lease Revenue Bond Proceeds - Initial Issuance

Sources	
Initial Lease Revenue Bond Proceeds	\$ 23,750,000
Uses	
Construction Fund	17,330,000
Capitalized Interest	3,579,143
Debt Service Reserve Fund	1,998,516
Underwriters Discount	237,500
Cost of Bond Issuance	350,000
Bond Insurance	233,665
Working Capital and Contingency	 21,176
Total Uses	\$ 23,750,000
Total Debt Service - Initial Issuance	\$ 38,615,292
Average Debt Service Over 25 Years Including	\$ 1,544,612
Capitalized Interest (estimated maximum	
interest rate of 6.15%)	

The \$17.33 million amount shown in the table above for the Construction Fund will be augmented by unspent General Obligation Bond funds in the amount of \$2.1 million (previously appropriated for Fire Department Capital Projects) and pay-as-you go funding in the amount of approximately \$4.8 million from the collection of 911 Emergency Response Fee funds, for total construction costs of \$24,273,100.

As discussed in detail in Comment 1, the construction costs are a portion of the estimated total project costs of \$71,874,821.

Total sources and uses for the construction of the 911 Dispatch Center building are shown in the table on the following page.

911 Dispatch Center Building Construction Project

\$ 17,330,000
2,100,000
4,843,100
\$ 24,273,100
, , ,
\$ 1,227,500
133,000
112,500
180,000
339,500
1,185,000
225,000
15,840,000
, ,
1 400 000
1,490,000
2,641,600
50,000
 849,000
\$ 24,273,100
\$

Item 14, File 101-96-41, for which a separate Budget Analyst report follows this report, is a proposed supplemental appropriation of bond proceeds totaling \$17,680,000 (the \$17,330,000 for the Bond Construction Fund shown above and \$350,000 in Bond Issuance costs shown in the table on the previous page.

As will be addressed in the Comment Section on the following pages, the total construction cost of \$24,273,100 shown above, which is the second revised cost estimate, is approximately \$5.1 million more than the \$19.2 million first revised construction cost estimate provided to the Budget Committee in February, 1996. Furthermore, the \$19.2 million estimate of February, 1996 was approximately \$6.0 million greater than the original construction cost estimate of \$13.2 million. Overall, the cost estimate has increased by nearly 84 percent, or \$11,073,100 (\$24,273,100 less \$13,200,000 since the original cost estimate was prepared).

Reasons provided by the Department of Public Works at the time of the <u>first</u> revision to the cost estimate from \$13.2 million to \$19.2 million were (1) inflationary increases in the

cost of construction; (2) expansion of the facility from the original plan of 28,000 square feet to 35,000 square feet; (3) errors in the original estimation of the cost of building the temporary and permanent basketball and volleyball courts; (4) various items related to seismic hardening of the building, provision of emergency generators and an uninterrupted power supply, that have been determined to be necessary following consultation with other jurisdictions that have recently completed construction of similar facilities; (5) the need for bullet proof glass in the facility; and (6) improvements to ventilation and the need for backup heating, ventilation and air conditioning systems and the necessity to construct a separate access for electric wiring and other mechanical systems.

The Department of Public Works project manager, Mr. Michael Quan, has stated that the first revised construction cost estimate of \$19.2 million did not anticipate increasing costs for steel and other materials, as evidenced by the recently received competitive bids for the project. Also, due to the large number of public works projects now being undertaken in the City, at the Airport, and in the Bay Area few bidders participated in the process for the 911 Dispatch Center building. Additional increased costs were caused by seismic strengthening of the foundation and the need for increased onsite inspection during construction to prevent cost overruns. These factors combined resulted in the present second revised construction cost estimate of \$24.3 million. Mr. Quan will be providing additional detailed information directly to the Finance Committee regarding the reasons for the increased construction costs.

Comments:

1. The table on the following page shows that the current total project cost estimate for the 911 Dispatch Center is now \$71,184,822, or \$11,208,875 more that the February, 1996 total project cost estimate of \$59,975,947.

Included in the net increase of \$11,208,875 are additional interest costs of \$12,563,864 which would be incurred because the bond debt for the building construction will be amortized over a period of 25 years instead of the original plan of 10 to 13 years. According to Ms. Laura Wagner-Lockwood of the Department of Administrative Services Public Finance Division, the City Attorney's Office found that the shorter amortization period of 10 to 13 years resulted in annual lease payments to the San Francisco Finance Corporation that would have exceeded reasonable estimates of the fair market rent value for the building. Bond Counsel has advised that the City is prohibited from making lease

payments in excess of fair market rental values. Therefore, in order to reduce the annual lease payments to a fair market rent value, it became necessary to amortize the debt over a longer period of time. According to Ms. Wagner-Lockwood, current cash flow projections indicate that sufficient 911 Emergency Response Fee funds will be available to call the lease revenue bonds in the year 2008 if the City chooses to do so at that time, thus avoiding future interest expense.

Building construction increases of \$5,037,100 and interest expense increases of \$12,563,864 are partially offset by decreased projected expenditures for various communications, hardware and software items. (See Comment 2).

Revised Total Project Costs - 911 Emergency Dispatch Center

	February, 1996	Current	Increase
	<u>Estimates</u>	<u>Estimates</u>	(Decrease)
Building Construction.	\$ 19,236,000	\$ 24,273,100	\$ 5,037,100
Community Mitigation Costs	2,031,000	2,031,000	-
Wire Communications	682,825	612,825	(70,000)
Telecommunications	1,925,973	1,364,749	(561,224)
Telephone Conversions	280,000	280,000	-
Data Communications	1,434,300	1,434,300	-
Mobile Computing Terminals	5,458,744	3,600,000	(1,858,744)
Other Radio Communications	1,083,000	1,133,000	50,000
CAD Hardware	2,500,000	2,000,000	(500,000)
CAD Software	2,500,000	2,500,000	-
AIS Hardware	6,500,000	5,200,000	(1,300,000)
AIS Software	5,000,000	5,000,000	-
Project Management - CA's Office	4,544,105	4,210,000	(334,105)
Upfront Bond Financing Costs	<u>6,800,000</u>	<u>4,981,984</u>	(1,818,016)
Subtotal	\$ 59,975,947	\$ 58,620,958	\$ (1,354,989)
Additional Interest Costs		<u>12,563,863</u>	12,563,863
Total Project Costs (1)	\$ 59,975,947	\$ 71,184,821	\$ 11,208,874
Less - General Obligation Bonds	\$ (2,100,000)	\$ (2,100,000)	-
Less - 911 Fee Collections (2)	(47,514,857)	(54,119,691)	(6,604,834)
Less - 911 Fee Collections Interest Earnings	(2,500,000)	(4,700,000)	(2,200,000)
Net General Fund Cost	\$ 7,861,090	\$ 10,265,130	\$ 2,404,040
Additional Net Debt Service Costs not Included in February Estimate	<u>1,957,421</u>	-	(1,957,421)
Nct General Fund Cost Including Additional Costs not Reported in February Estimate (3)	\$ 9,818,511	\$ 10,265,130	\$ 446,619

Notes to table on previous page

- (1) February Estimate includes \$2,031,000 in Community Mitigation Costs and Current Estimate includes \$2,031,000 in Community Mitigation Costs and \$2,000,000 in AIS Software costs that are not eligible for funding from the 911 Emergency Response Fee. The Department of Administrative Services hopes to identify alternative, non-General Fund dollars for the Community Mitigation Costs. If the Community Mitigation Costs are paid from some other source, the Current Estimate of Net General Fund Cost would decrease from \$10,265,130 to \$8,234,130.
- (2) Current Estimate for 911 Emergency Response Fee Collections of \$54,119,691 assumes that the proposed ordinance increasing the cap on such revenues from \$49.0 million to \$60 million will be approved. If the proposed ordinance is not approved, the increased General Fund cost will amount to an estimated \$6.0 million, (\$54,119,691 in Current Estimate Fee Collections less the \$49 million cap in the existing ordinance plus interest earnings that would not be realized on the \$5,4119,691 difference).
- (3) General Fund Costs would be incurred over a period of four years.
 - 2. According to Debra Vincent-James of the Department of Administrative Services, reductions in Telecommunications costs in the amount of \$561,224 are projected based on the potential receipt of pending grant funds. Also, Police Department grant funds have been received for the purchase of Mobile Computing Terminals (MCTs) that results in a savings of \$1,858,744. Lastly, use of the new interim Computer Aided Dispatch and Automated Information System in the new 911 Dispatch Center will save approximately \$500,000 and \$1,300,000 respectively. Therefore, the same technical capabilities originally envisioned for the 911 Dispatch Center will be achieved using alternative funding sources, according to Ms. Vincent-James. The use of such alternative funding sources would be permitted under the proposed amendment to the 911 Emergency Response Fee ordinance.
 - 3. As stated in the notes above, without the proposed increase in the 911 Emergency Response Fee cap amount, General Fund costs would increase by an estimated \$6.0 million. However, the proposed ordinance would increase the 911 Emergency Response Fee cap by \$11 million (from \$49 million to \$60 million) or approximately \$6.0 million more than is expected to be needed using current cost estimates. According to Ms. Vincent-James, the additional potential fee collections would provide flexibility to offset any additional unforeseen costs that may become necessary during construction of the project or in the procurement and installation of communications hardware and software.

Memo to Finance Committee February 5, 1997 Finance Committee Meeting

4. Currently, the City collects approximately \$4.2 million annually in 911 Emergency Response Fee revenue (approximately \$350,000 per month). Based on this rate of collection, the 911 Emergency Response Fee would be extended for approximately an additional 31 months if the proposed maximum amount of \$60.0 million is collected instead of the existing maximum amount of \$49.0 million.

Recommendation:

The two proposed ordinances are policy matters for the Board of Supervisors.

Memo to Finance Committee February 5, 1997 Finance Committee Meeting

Item 14 - File 101-96-41

Note: This item was continued by the Budget Committee at its meeting of

January 29, 1997.

Departments: Department of Telecommunications

Public Works (DPW)

Item: Supplemental appropriation ordinance of lease revenue

bond proceeds for the construction of a Combined Emergency Communications Center, and to provide the Department of Administrative Services, City Attorney and

Controller with bond issuance costs.

Amount: \$17,680,000

Source of Funds: Lease revenue bonds to be issued by the San Francisco

Finance Corporation. Item 12, File 170-96-10 is the proposed ordinance which would authorize the issuance of lease revenue bonds for the construction of the Consolidated Emergency Communications Center (CECC)

Description: The proposed supplemental appropriation will provide

construction funds for a two floor office building of 34,000 square feet built above a partially submerged underground parking structure. Two related measures before the Finance Committee (Items 12 and 13, Files 170-96-10 and 127-97-1 respectively) would authorize the issuance of the subject lease revenue bonds and provide for an increase in the maximum 911 Emergency Response Fees that can be collected for the project. The proposed supplemental appropriation would provide funding for the construction contract, construction management services, architectural, engineering and public outreach services and bond issuance costs as follows:

Construction Contract

S. J. Amoroso Inc. - TSM (A Joint Venture and the low

Bidder on the Contract) \$14,400,000 Project Contingency @ 10% 1,440,000

Subtotal

\$15,840,000

Construction Managemen	ement	Manage	truction	Const
------------------------	-------	--------	----------	-------

	No. of	Hourly		
	Hours	Rate	Amount	Subtotal
In-House				
DPW				
Construction Manager	2,184	\$97.00	\$212,000	
Field Inspector	2,400	\$68.00	163,000	
Total				\$375,000
DPW Bureau of Const	truction			
Management Testing	g Lab.			68,000
Consultants				
The Allan Group/Corn	erstone			
Resident Engineer	3,136	\$65.48	\$205,347	
Office Engineer	3,136	\$44.91	140,844	
Admin/Secretary	2,880	32.73	94,264	
Sub Consultants				
NBA Assoc. (WBE)	410	\$88.95	36,470	
FW Assoc. (MBE)	450	\$103.11	46,399	
WJR Assoc. (MBE)	544	\$79.42	43,204	
URS Consultants	48	\$148.27	7,117	
Sub Consultants Ma	arkup		6,054	
g .:			00.000	
Contingency			20,301	202 222
Total				600,000
Testing Engineers, Inc				
Materials Testing Ser				69,000
materials resulting ber	A I CC S			03,000

Subtotal Construction Management

\$1,112,000

Environmental Monitoring:

	No. of <u>Hours</u>	Hourly <u>Rate</u>	Amount	Subtotal
In-House				
DPW				
Division Manager	25	\$76.00	\$1,900	
Project Manager	490	\$64.00	31,360	
Project Manager	50	\$61.00	3,050	
Accountant	25	\$43.00	1,075	
Total				\$37,385
Consultants				
Tetra-Tech Inc. (L.	BE)			
Project Manager	14	\$95.00	\$1,330	
Senior Engineer	26	\$90.00	2,340	
Staff Engineer	80	\$75.00	6,000	
Technician	180	\$45.00	8,100	
Accounting	7	\$40.00	280	
Clerical	3	\$38.00	114	
Office			204	
Word Processing			203	
Field Supplies			209	
Total				18,780

	lo. of Hours	Hourly <u>Rate</u>	Amount	Subtotal
SCA Environmental (MBE/LBE) Certified Industrial Hygienist Environmental Tech Equipment Rental Sample Analysis Total	50 . 290	\$95.00 \$55.00	\$4,750 15,950 4,345 3,195	\$28,240
Wilson, Ihrig & Asso	oc. Inc.			
Principal	1	\$150.00	\$150	
Sr. Consultant	5	\$120.00	600	
Associate	39	\$110.00	4,290	
Assistant	84	\$95.00	7,980	
Technician	85	\$75.00	6,375	
Secretary	35	\$60.00	2,100	
Total				21,495
Bluewater, Inc.				
Asbestos Abatement				1,350
Contingency				10,750

Subtotal Environmental Monitoring

Architecture, Engineering & Public Outreach

\$118,000

	No. of	Hourly		
	Hours	Rate	Amount	Subtotal
In-House				
Human Rights Comm				
1314 Public Affairs	680	\$51.00	\$35,000	\$35,000
DPW Bureau of				
Architecture:				
Principal Engineer	250	\$97.00	\$24,250)
Architect	500	\$87.00	43,500)
Architectural Assoc. II	1,000	\$70.00	70,000	<u>)</u>
Total				\$137,500
Consultants:				
Heller-Manus				
Principal	40	\$105.00	\$4,200)
Architect	310	\$85.00	26,350)
Drafter	40	\$70.00	2,800	<u>)</u>
Total				33,350
Finger & Moy (MBE)				
Principal	30	\$120.00	\$3,600	
Architect	190	\$85.00	16,150	
Drafter	30	\$58.00	1,748	
Total				21,498

	No. of <u>Hours</u>		Amount	Subtotal	
Levy Design Partners (LE	<u>(E)</u>				
Principal	6	\$105.00	\$630		
Architect	52	\$85.00	4,420		
Job Captain	68	7	4,420		
Drafter Total	4	\$58.00	<u>232</u>		
Total				9,702	
Forell/Elsesser					
Principal	30	\$115.00	\$3,450		
Engineer	240	\$75.00	18,000		
Drafter_	30	\$50.00	1,500		
Total				22,950	
Subtotal Architectu		ngineer	ring		
and Public Outrea	ich				\$260,000
Subtotal					\$17,330,000
Bond Issuance Co	osts (S	See At	tachm	ent	
Financial Advisor	Fees		\$6	5,000	
Bond Counsel Fee	S			000,0	
Corporate Counse	1			5,000	
City Administrato				0,000	
Controller				5,000	
City Attorney				0,000	
Rating Agency Fe	es			0,000	
Printing Fees				5,000	
Trustee Fees				0,000	
Title Insurance				0,000	
Subtotal			<u> </u>	0,000	350,000
Subtotal					350,000
Total Project Cos	t				\$17,680,000

Comments:

1. The low construction bid of \$14,400,000 was \$2,208,734 or 18.1 percent higher than the engineers' estimate of \$12,191,299. Two higher bids were received in the amount of \$14,448,464 from Barnes/LTM, a Joint Venture and \$14,498,000 from A. Answer, Inc., Marinship, Dennis J. Amoroso Joint Venture. According to Mr. Paul Travis of the Bureau of Architecture the bids may have been higher than the engineers' estimate of \$12.2 million for the 911 Dispatch Center building because of (1) inflationary increases in the cost of concrete, steel and wood for formwork; (2) the need to install bullet proof glass in the facility; and (3) the current bidding pool is limited due to the numerous construction projects ongoing

in the Bay Area (Opera House, City Hall, San Francisco International Airport, Caltrans and BART).

2. The joint venture of S. J. Amoroso, Inc.-TSM has been certified by the Human Rights Commission (HRC) as having met the project goal and set-aside requirements (minimum of 35% MBE ownership participation) under the bid solicitation and therefore considered eligible for approval of the contract award. TSM is an MBE firm. In addition to meeting the set-aside requirements for MBE ownership participation, the bid solicitation included minimum subcontract goals which S. J. Amoroso, Inc.-TSM has committed to meet as follows:

15% Local African American Minority Business Enterprise (MBE)
7.7% other Local Minority Business Enterprise (MBE), and
6.3% Local Women Business Enterprise (WBE)
29% Total MBE/WBE Subcontract Participation

3. Mr. Travis reports that a competitive Request For Proposal (RFP) or Request For Qualifications (RFQ) process was used to select each of the professional services consultants listed above. Mr. Travis advises that the MBE firm of SCA Environmental would receive \$28,240, or approximately 40 percent of the \$69,865 budgeted for environmental monitoring consultants.

The MBE firm of Finger & Moy would receive \$21,498, or approximately 25 percent of the \$87,500 budgeted for architecture, engineering and public outreach consulting services.

The WBE firm of Levy Design Partners would receive \$9,702, or approximately 11 percent of the \$87,500 budgeted for architecture, engineering and public outreach consulting services.

- 4. The proposed supplemental appropriation would also provide funding for bond issuance costs. The details of the proposed bond issuance costs are included as an attachment to this report.
- 5. Since the lease revenue bonds, which would be appropriated in this supplemental appropriation request, have not yet been issued, the proposed ordinance would place the funding on reserve pending receipt of the bond proceeds.

Memo to Finance Committee February 5, 1997 Finance Committee Meeting

Recommendation:

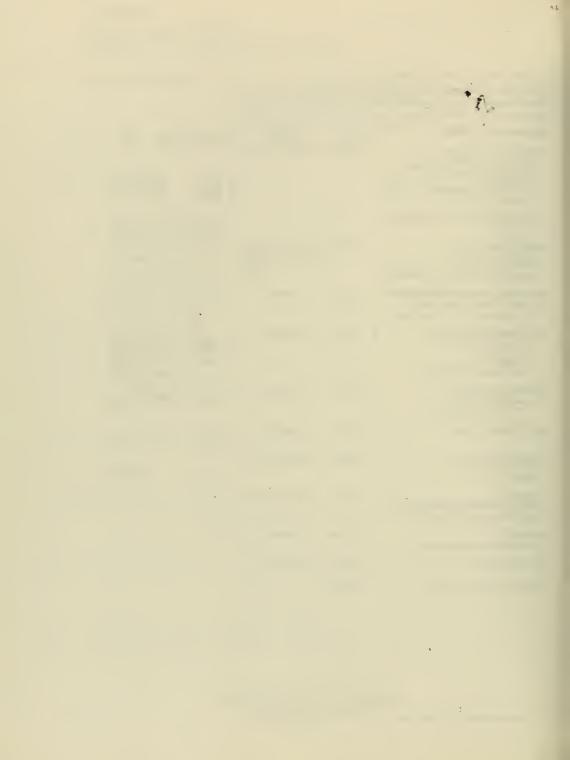
Because the proposed supplemental appropriation of lease revenue bond funds is contingent on approval of Item 12, File 170-96-10, which would authorize the lease revenue bond issuance, this proposed supplemental appropriation is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Leal cc: President Kaufman Supervisor Brown Supervisor Ammiano Supervisor Bierman Supervisor Katz Supervisor Medina Supervisor Teng Supervisor Yaki Supervisor Yee Clerk of the Board Controller Steve Agostini Stephen Kawa Ted Lakey

911 Combined Emergency Communications Center Lease Revenue Bond - Cost of Issuance

Estimated Costs of Issuance						
FINANCIAL ADVISOR FEES CO FINANCIAL ADVISORS Public Financial Management (PFM)	\$ <u>stimuto</u> 65,000	Foo Bosis Maximum Foo Amount	Ho	urly Rate	# of Hours	<u>Total</u>
Managing Director Senior Managing Consultant Managing Consultant			\$ \$ \$	170.00 170.00 150.00	200	\$ 8,500 \$ 34,000 \$ 18,000
Liberty Public Financial Advisors (WBE) Principal			s	50,00	90	\$ 4,500
BOND COUNSEL FEES CO BOND COUNSELS O'Melveny & Meyers, LLP Lew Offices of Pamela S, Jue(MBE/WBE)	\$ 70,000	Flat Fee Contingent Upon Issuance of Bonds 45,500 24,500	:			
CORPORATE COUNSEL-FINANCE CORP Lofton, De Lancie & Nelson (MBE) (General Counsel to the Finance Corp)	\$ 15,000	Flat Fee				
CITY ADMIN. (Public Finance) Director of Public Finance Debt Analyst Assistant Other Related Office Expanses	\$ 50,000	Hourly Costs	\$ \$ \$	60,00 30,00 20.00	450	\$ 27,000 \$ 13,500 \$ 3,400 \$ 6,100
CONTROLLER ADMIN, Budget & Operations Mgr CAFR Printing Costs for OS	\$ 15,000	Hourly Cost	\$	60,00	166.67	\$ 10,000 \$ 5,000
CITY ATTORNEY FEES	\$ 30,000	Hourly Cost	\$	125.00	240	\$ 30,000
RATING AGENCY FEES Slandard & Poors Moodys	\$ 50,000	Estimated Flat Fee				\$ 25,000 \$ 25,000
PRINTING Printing of Preliminary Official Statement and Official Statements (POS/OS)	\$ 15,000	Estimated Flat Fee				
TRUSTEE Chemical Trust Company/CHASE	\$ 10,000	Estimated Fee				
TITLE INSURANCE	\$ 30,000	Estimated Fee				
TOTAL 911 COST OF ISSUANCE	\$ 350,000					



MARKED CALENDAR

FINANCE COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, FEBRUARY 12, 1997 - 1:00 P.M.

VETERANS BUILDING 401 VAN NESS AVENUE ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

REGULAR MEETING

 File 89-97-2. [SDI Coverage, Classification 9146] Resolution authorizing enrollment of Classification 9146 Manager, Elderly and Handicapped Programs in the State Disability Insurance Program. (Department of Human Resources)

ACTION: Hearing held. RECOMMENDED.

2. File 84-97-1. [Bayview Hill Open Space] Resolution finding that purchase of 15.884 acres on Bayview Hill for open space is categorically exempt from environmental review and in conformity with the Master Plan (Assessor's Block 4991, Lots 29, 31, 32, 33, 34, 38 and 44). (Supervisor Bierman) (COMPANION TO THE FOLLOWING FILE)

ACTION: Hearing held. RECOMMENDED.

3. <u>File 84-97-1.1</u>. [Open Space, Bayview Hill] Ordinance authorizing purchase of a portion of Assessor's Block 4991, Lots 29, 31, 32, 33, 34, 38 and 44 consisting of 15.884 acres on Bayview Hill for open space for \$2,600,000. (Supervisor Bierman) (COMPANION TO THE PRECEDING FILE)

ACTION: Hearing held. RECOMMENDED.

4. File 271-97-1. [Final Environmental Impact Report] Resolution finding and determining that the proposed South of Market Redevelopment Plan Amendment, File No. 94.670E, will have significant impacts on the environment, and adopting and incorporating findings of Final Environmental Impact Report, pursuant to the California Environmental Quality Act; companion measure to Files 84-97-2, 172-97-1, and 271-97-1.1. (Planning Department) (COMPANION TO THE FOLLOWING FILES)

ACTION: Hearing held. RECOMMENDED.

DOCUMENTS DEPT

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5. File 271-97-1.1. mendment to the San Francisco Ge. .al Plan] Resolution adopting amendments to the San Francisco General Plan in order to designate the Bessie Carmichael School site (Lot 16 in Assessor's Block 3754) and Sherman Way between Cleveland and Harrison Streets, a proposed public open space, and finding that acquisition of property located at 349-365 - 7th Street, 45 Cleveland Street (Lots 62-64 in Assessor's Block 3754) by the City and County of San Francisco, transfer of said property to the San Francisco Unified School District for creation of a public school and transfer of the Bessie Carmichael School site from the San Francisco Unified School District to the City and County of San Francisco for creation of a public park is consistent with the General Plan. (Planning Department) (COMPANION TO THE PRECEDING FILE AND THE FOLLOWING FILES)

ACTION: Hearing held. RECOMMENDED.

6. File 84-97-2. [Property Acquisition, 349-65 - 7th Street/45 Cleveland Street] Resolution authorizing the Director of Property to exercise the City's rights under an option agreement to purchase real property located at 349-365 - 7th Street and 45 Cleveland Street (McCormick Trust Property), and the additional payment of \$4,360,450 of San Francisco Park and Open Space funds therefor. (Real Estate Department) (COMPANION TO THE PRECEDING AND FOLLOWING FILES)

(Note: The acquisition of property authorized by this Resolution is within

the scope of the program approved by the Planning and

Redevelopment Commissions January 23, 1997 and is adequately described in the South of Market Redevelopment Plan Amendment

Final Environmental Impact Report.)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.

Amendment of the Whole bearing same title adopted.

7. File 172-97-1. [Exchange of Real Property] Resolution authorizing the Director of Property to enter into an agreement with the San Francisco Unified School District for the exchange of real property located at 349-365 - 7th Street and 45 Cleveland Street for real property located at 55 Sherman Street, which is currently the site of the Bessie Carmichael School; the payment of eight hundred thousand dollars (\$800,000) in Park and Open Space funds to the San Francisco Unified School District; and the lease back to the School District of the Bessie Carmichael School site for a maximum period of three years. (Real Estate Department) (COMPANION TO THE PRECEDING FILES)

(Note: The exchange of property authorized by this Resolution is within

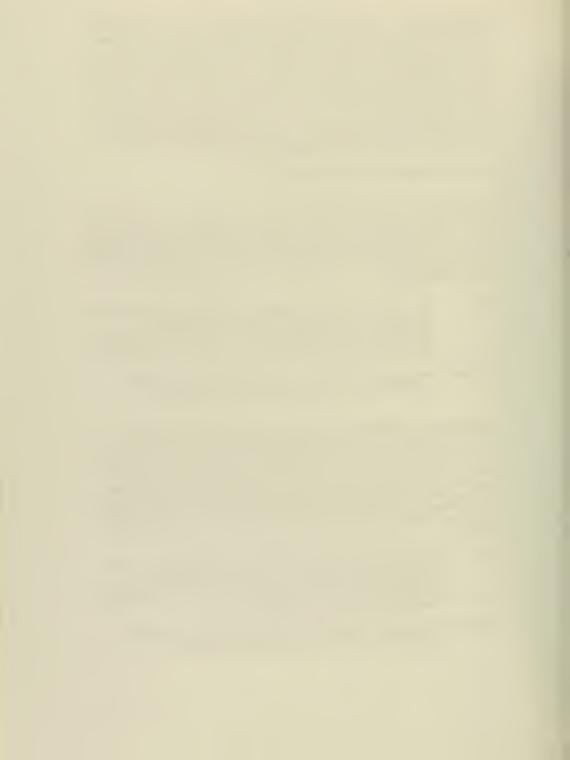
the scope of the program approved by the Planning and

Redevelopment Commissions January 23, 1997 and is adequately described in the South of Market Redevelopment Plan Amendment

Final Environmental Impact Report.)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.

Amendment of the Whole bearing same title adopted.



8. File 25-96-1. [F. J Contract, Janitorial Services] Resolution concurring with the Controller's certification that janitorial services for the Port of San Francisco can be practically performed by a private contractor at lower cost than by City and County employees. (Port of San Francisco) (Continued from 9/10/96.)

ACTION: Hearing held. RECOMMENDED.

9. File 101-96-42. [Appropriation, Department of Public Health] Ordinance appropriating \$62,310, Department of Public Health, of new State tobacco tax revenues and reallocating \$374,512 between various community health services and San Francisco general Tobacco Tax appropriations to reflect current expenditure plans, including \$229,744 appropriation of Tobacco Tax revenues for fringe benefits at San Francisco General Hospital for fiscal year 1996-97. (Controller) RO #96184

ACTION: Hearing held. AMENDED. CONSIDERATION CONTINUED TO FEBRUARY 19, 1997 AS AMENDED.

Amendment of the whole bearing new title adopted. NEW TITLE: "Ordinance appropriating \$62,310, Department of Public Health, of new State tobacco tax revenues and reallocating \$802,138 between various community health services and San Francisco General Tobacco Tax appropriations to reflect current expenditure plans, including a \$229,744 appropriation of Tobacco Tax revenues for fringe benefits at San Francisco General Hospital for fiscal year 1996–97."

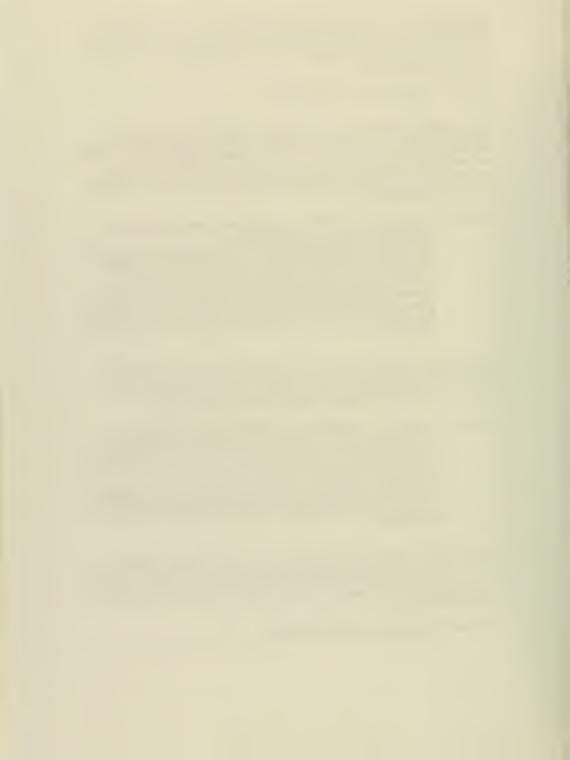
10. <u>File 101-96-43</u>. [Appropriation, Art Commission] Ordinance appropriating \$22,500, Art Commission, of Public Art Fund Revenue, to salaries and fringe benefits for the creation of one (1) position for fiscal year 1996-97. RO #96191. (Controller) (COMPANION TO THE FOLLOWING FILE.)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. Amend page 1, line 1, by replacing "\$22,500" with "\$15,000", line 14, replacing \$22,500" with "\$15,000", line 19 replacing "\$20,640" with "\$13,827", line 21 replacing "\$1,760" with "\$1,173", and line 23 replacing "\$22,500" with "\$15,000".

NEW TITLE: "Ordinance appropriating \$15,000, Art Commission, of Public Art Fund Revenue, to salaries and fringe benefits for the creation of one (1) position for fiscal year 1996-97. RO #96191. (Controller)"

11. File 102-96-9. [Salary Ordinance Amendment, Art Commission] Ordinance amending Ordinance No. 298-96 (Annual Salary Ordinance, 1996/97) reflecting the creation of one (1) position (Class 1312 Public Information Officer), at the Art Commission. (Department of Human Resources) (COMPANION TO THE PRECEDING FILE.)

ACTION: Hearing Held. RECOMMENDED.



12. File 101-96-44. propriation, Recreation and Park L partment] Ordinance appropriating \$300,000, Recreation and Park Department, from the General Fund Reserve to purchase golf equipment for fiscal year 1996-97. (Controller) RO #96197

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend title, line 1, and lines 10, 14 and 17 by replacing "\$300,000" with "\$294,503".

NEW TITLE: "Ordinance appropriating \$294,503, Recreation and

NEW TITLE: "Ordinance appropriating \$294,503, Recreation and Park Department, from the General Fund Reserve to purchase golf equipment for fiscal year 1996–97."

13. File 118-96-8. [Public Health License Fees] Ordinance amending the Health Code by amending Sections 258, 451, and 609 relating to license and reinspection fees for the Department of Public Health. (Department of Public Health) (Continued from 1/29/97.)

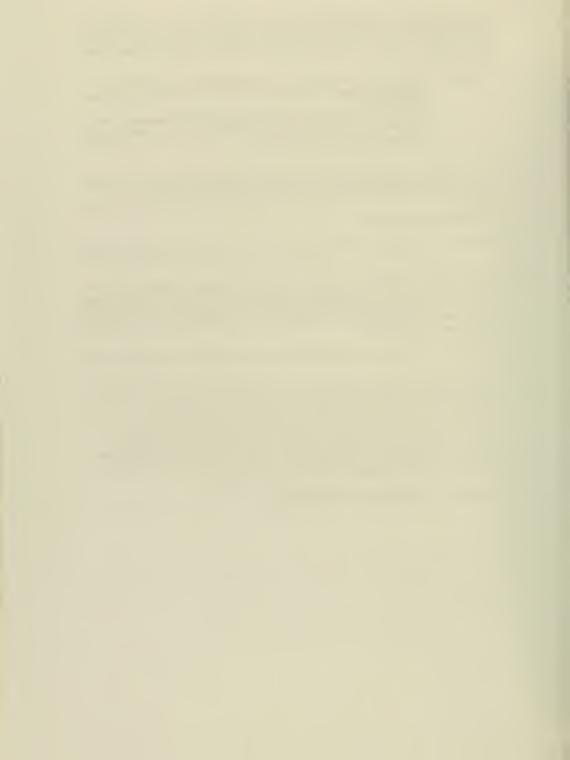
ACTION: Hearing Held. CONSIDERATION CONTINUED TO MARCH 5, 1996.

14. File 127-96-10. [Public Health License Fees] Ordinance amending Part III of the San Francisco Municipal Code (Revenue and Finance) by amending Sections 35, 120, 248, 249.1, 249.7 and 249.13 relating to fees for licenses or permits for inspections by the Department of Public Health. (Department of Public Health) (Continued from 1/29/97.)

ACTION: Hearing Held. CONSIDERATION CONTINUED TO MARCH 5, 1996.

15. File 172-97-4. [Treasure Island Cooperative Agreement] Resolution approving and authorizing the City to enter into a cooperative agreement with the Navy whereby the City's Public Utilities Commission will assume certain responsibilities regarding the operation and maintenance of utilities on Treasure Island prior to the Navy's closure of Treasure Island on October 1, 1997 and the Navy will reimburse the City for the costs therefore; companion measure to Files 101-96-46 and 102-96-11. (Mayor Willie L. Brown, Jr.) (COMPANION MEASURE TO THE FOLLOWING FILES)

ACTION: Hearing Held. RECOMMENDED.



16. File 101-96-46. Propriation, Public Utilities Comm. Ion] Ordinance appropriation \$2,058,214, Public Utilities Commission, of Federal Revenue for salaries, fringe benefits, professional services, overhead, training, taxes, licenses and permits, other current expenses, materials and supplies, equipment lease purchase and services of other departments for the creation of twelve (12) positions at the Public Utilities Commission to reimburse the Public Utilities Commission for costs incurred in taking over the operations and maintenance of the utility systems serving Treasure Island for fiscal year 1996-97; companion measure to Files 102-96-11 and 172-97-4. RO #96218. (Controller) (COMPANION MEASURE TO THE PRECEDING FILE AND FOLLOWING FILE)

ACTION: Hearing Held. RECOMMENDED.

17. File 102-96-11. [Salary Ordinance Amendment, PUC] Ordinance amending Ordinance No. 298-96 (Annual Salary Ordinance, 1996/97) reflecting the creation of twelve (12) positions in the Public Utilities Commission and Department of Public Works to staff assumption of responsibility for utility operation and maintenance at Treasure Island; companion measure to Files 101-96-46 and 172-97-4. (Department of Human Resources) (COMPANION MEASURE TO THE PRECEDING FILES.)

ACTION: Hearing Held. RECOMMENDED.

18. File 64-97-3. [Transbay Terminal Lease] Resolution approving a lease between the Municipal Railway and the California Department of Transportation for the use of the upper deck of Transbay Terminal, and indemnifying the State of California. (Public Transportation Commission)

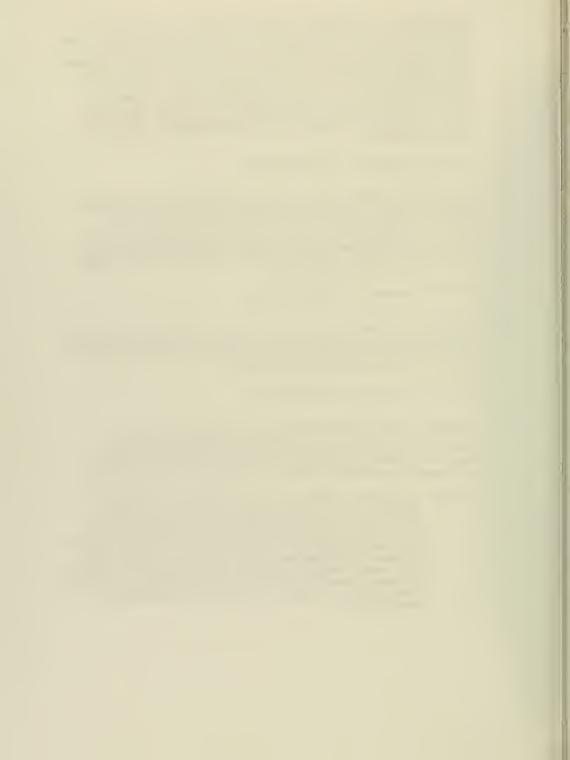
ACTION: Hearing Held. RECOMMENDED.

19. File 60-97-3. [Sports Stadium Bonds] Resolution submitting a ballot proposition for the June 3, 1997 Special Election, authorizing the City to lease-finance a Stadium Development at Candlestick Point, in principal amount not exceeding \$100,000,000, provided no City taxes are increased or newly imposed without Proposition 218 voters approval. (Supervisor Brown)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.

Amendment of the Whole bearing new title adopted as amended.

NEW TITLE: "Resolution submitting a ballot proposition for the
June 3, 1997 Special Election, authorizing the City to lease-finance
a Stadium Development at Candlestick Point, in principal amount
not exceeding \$100,000,000, provided no City taxes are increased or
newly imposed without Proposition 218 voter approval; and finding
the Lease-Revenue Bond Proposition is in conformity with the eight
priority policies of Planning Code Section 101.1 and the City's
General Plan."



20. File 216-95-1.2. Imbined Emergency Communication. Center] Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) a subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC shall be constructed; and amending Section 6 of the Ordinance No. 80-96 to provide an elevation adjustment to allow for the construction of the underground parking structure for CECC. (City Administrator) (COMPANION TO FOLLOWING FILES) (Continued from 2/5/97.)

SPEAKERS: Steve Nelson; Michael Quan, Department of Public Works

ACTION: Hearing held. RECOMMENDED.

21. File 170-96-10. [Lease Financing for 911 Center] Ordinance rescinding Ordinance 208-94 (Citywide Radio System Lease Financing); approving a site lease agreement between the City and County of San Francisco ("CITY"), as lessor, and the City and County of San Francisco Finance Corporation ("CORPORATION"), as lessee, relating to a portion of Assessor's Block 759. Lot 1, known as the Margaret S. Hayward Playground ("SITE"); approving a project lease agreement between the CORPORATION, as lessor, and the CITY, as lessee, of the 911 Dispatch Center to be constructed on the site (including certain indemnification provisions therein); approving an Agency Agreement between the CORPORATION and the CITY with respect to a 911 Dispatch Center to be used for City purposes; approving the issuance of Lease Revenue Bonds of the CORPORATION; approving a continuing Disclosure Agreement relating to said bonds; approving the circulation, execution and delivery of an Official Statement relating to said bonds; and providing for the execution of documents in connection with and ratifying previous actions taken in connection with the foregoing matters. (City Administrator) (COMPANION TO PRECEDING AND FOLLOWING FILES) (Continued from 2/5/97.)

SPEAKERS: NONE.

ACTION: Hearing held. RECOMMENDED.

22. File 127-97-1. [Emergency Response Fee Amendments] Ordinance amending the Municipal Code, Part III, Article 10A by amending Sections 751, 752 and 756 to increase the estimate of total project costs from \$57,851,000 to \$67,153,821 and to increase the cap on project costs eligible to be paid from Emergency Response Revenues from \$49 million to \$60 million. (City Attorney) (COMPANION TO THE PRECEDING AND FOLLOWING FILE) (Continued from 2/5/97.)

SPEAKERS: NONE.

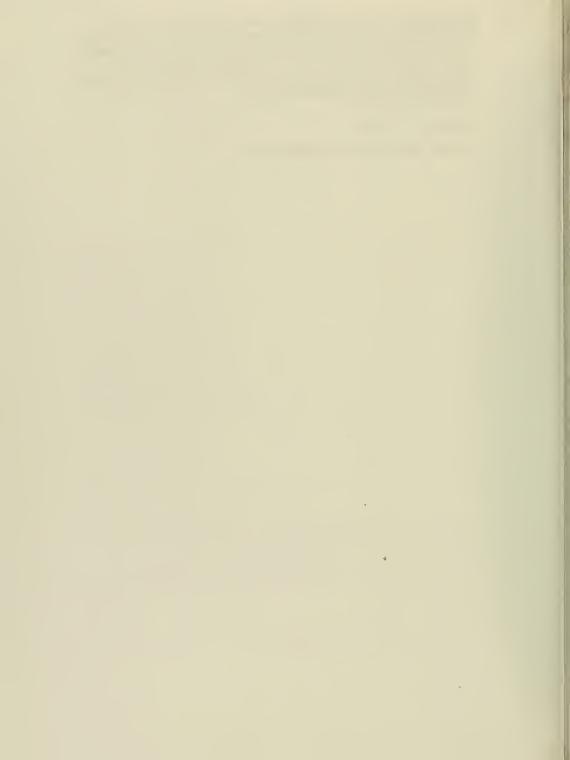
ACTION: Hearing held. RECOMMENDED.



23. File 101-96-41. [Appropriation, Department of Telecommunications]
Ordinance appropriating \$17,680,000, Department of Telecommunications, of
Lease Revenue Bond proceeds for the construction of a Combined Emergency
Communications Center (CECC), and to provide the Department of
Administrative Services, City Attorney and Controller with costs of issuance
for fiscal year 1996-97; placing the funds on reserve. (Controller) RO #96196
(COMPANION TO THE PRECEDING FILES)
(Continued from 2/5/97.)

SPEAKERS: NONE:

ACTION: Hearing held. RECOMMENDED.



Attn: Kate Wingerson

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

February 7, 1997

TO:

Finance Committee

FROM:

· Budget Analyst Recommendations for needing

SUBJECT: February 12, 1997 Finance Committee Meeting

Item 1 - File 89-97-2

Department:

Department of Human Resources

Item:

Resolution authorizing enrollment of Classification 9146. Manager of Elderly and Handicapped Programs, in the State

Disability Insurance Program.

Description:

The proposed resolution would authorize enrollment of Classification 9146, Manager of Elderly and Handicapped Programs, in the State Disability and Insurance Program (SDI). The cost of the SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

SDI pays disability benefits to employees who suffer a nonindustrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 0.5 percent of the first \$31,767 of gross salary for each employee, with a maximum of \$158.84 annually. While SDI coverage is mandatory for all employees with bargaining units enrolled in the SDI program, the Municipal Executive Administrators (MEA), the bargaining unit of which this classification is a member, does not have a

Memo to Finance Committee February 12, 1997

provision in its contract to provide for the automatic inclusion of its members in SDI. Therefore, the Board of Supervisors must take action in order for this classification to be included in the SDI program.

The following classification, in the Department of Transportation, would be authorized to enroll in the SDI program under the proposed resolution:

Position Classification

Number of Employees

9146

Manager of Elderly and Handicapped Programs 1

The Employee Relations Division of the Human Resources Department reports that it has received a petition requesting SDI coverage signed by the only employee who occupies the position of Classification 9146, Manager of Elderly and Handicapped Programs.

Recommendation: Approve the proposed resolution.

Memo to Finance Committee February 12, 1997 Meeting of Finance Committee

Items 2 and 3 - Files 84-97-1 and 84-97-1.1

Items: File 84-97-1: Resolution finding that the purchase of 15.884

acres of Bayview Hill for open space is categorically exempt from environmental review and in conformity with the

Master Plan.

File 84-97-1.1: Ordinance authorizing purchase of 15.884

acres on Bayview Hill for open space.

Location: Bayview Hill, a portion of Assessor's Block 4991, Lots 29, 31,

32, 33, 34, 38 and 44.

Size: 15.884 acres

Seller: Estate of Carl Donnelly

Purchase Price: \$2,600,000, or approximately \$163,687 per acre

Source of Funds: Natural Areas Acquisition Account of the Park and Open

Space Fund, previously appropriated by the Board of

Supervisors in FY 1990-91 through FY 1995-96.

Description:

The proposed ordinance (File 84-97-1.1) would authorize the purchase of 15.884 acres of Bayview Hill from the Estate of Carl Donnelly, for use as open space, at a cost of \$2,600,000.

The property is adjacent to Jamestown Avenue and Key Avenue, near 3 Com Park at Candlestick Point. The Estate and its heirs have already agreed to the City's purchase price. The purchase would be subject to approval by the

currently in probate under the Court's authority.

Bayview Hill is a 30-acre parcel owned by the Estate of Carl Donnelly. The Estate would retain approximately 14 acres (approximately 30 acres less 15.884 acres), which consists primarily of a flat area that is currently used for overflow parking for 3 Com Park events.

Marin County Superior Court, because the Estate is

Ms. Joanne Wilson of the Recreation and Park Department (RPD) states that the RPD supports the proposed purchase of land for open space because the subject property has been identified as an area with high natural resources value. Ms. Wilson states that the area has thriving native plants that are threatened by degredation of the surrounding property. Ms. Wilson further advises that the purchase of the proposed property will (1) prevent private development of the subject property; and (2) permit the RPD to take steps to limit damage to the native plants, such as preventing erosion and invasion of non-native weeds. Ms. Wilson reports that, if the

proposed purchase is approved, the RPD plans to maintain the area as undeveloped open space, with public access, using budgeted Open Space funds.

On September 28, 1995 the Recreation and Park Commission and the City Planning Commission approved the proposed acquisition and determined that the acquisition would be exempt from environmental review and is in conformity with the Master Plan. The proposed resolution (File 84-97-1) would provide Board of Supervisors concurrence with the findings of the Recreation and Park Commission and the City Planning Commission.

Comments:

1. The purchase agreement and the related purchase price would grant the Estate an easement, providing the Estate with temporary access on an existing asphalt road that runs through the property proposed for purchase by the City, to the portion of Bayview Hill that would be retained by the Estate. Mr. Andrew Schwartz of the City Attorney's Office advises that the Estate's beneficiaries plan to develop housing on the approximately 14 acre portion of Bayview Hill, currently used for overflow parking at 3 Com Park, that is not proposed for sale to the City. Mr. Schwartz states that no plans for such a housing development have been submitted to the City at this time. Mr. Schwartz further states that nothing in the proposed legislation, purchase agreement or easement would commit the City to approval of such a development project on Bayview Hill.

The easement states that access would be provided for construction vehicles. The easement would terminate when the development project is built, or at the end of ten years, whichever comes first. The terms of the easement would require the Estate to restore any areas that have been disturbed or damaged by use of the easement upon completion of construction.

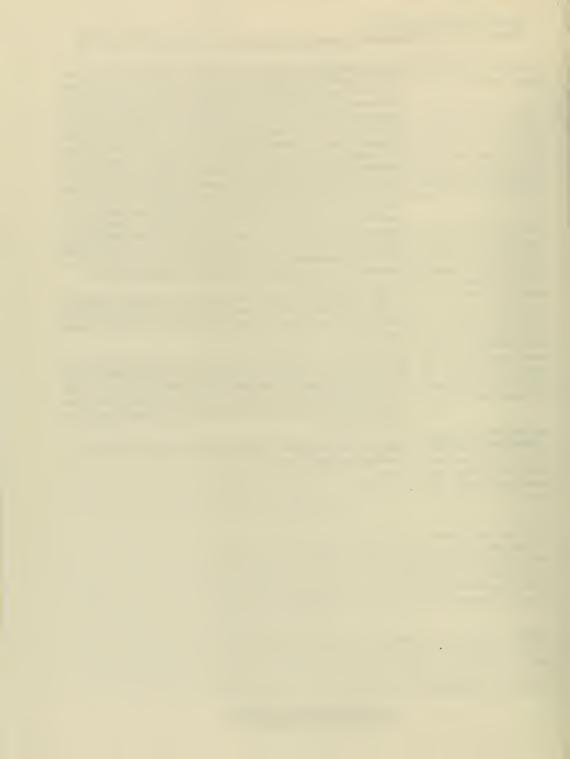
- 2. The proposed purchase agreement would also include a "Release and Covenant Not to Sue," on the part of the administrators and heirs to the Estate of Carl Donnelly. Mr. Schwartz advises that this would commit the Estate and its beneficiaries not to sue the City regarding anything related to the City's regulation of the subject 15.884 acres prior to its purchase by the City.
- 3. Mr. Schwartz reports that various appraisals of the subject 15.884 acres have been conducted. According to Mr. Schwartz: (1) an in-house appraisal conducted by the Department of Real Estate valued the property at approximately \$ 2 million; (2) an independent appraiser

hired by the City valued the property at \$64,000, on the basis of his determination that the property had no development potential and could only be used as open space: (3) an independent appraiser hired by the Estate valued the property at approximately \$4 million. Mr. Schwartz reports that the City, the Estate and an heir of the estate. Ms. Pamela Sims, selected Mr. Carl Williams and Mr. Barry Williams as mediators. The mediators retained an independent appraiser who reviewed all of the appraisals listed above and valued the property at \$2.3 to \$2.5 million. Mr. Schwartz states that the mediators recommended a purchase price of \$2.3 to \$2.8 million, which was designed to include some compensation to the Estate for signing the Release and Covenant Not to Sue. Mr. Schwartz states that the proposed purchase price of \$2,600,000 was a negotiated amount recommended by Mr. Anthony DeLucchi, Director of Property, based on the recommendation of the mediators.

- 4. Ms. Wilson reports that the RPD has budgeted sufficient funds to maintain and manage the subject 15.884 acres using the Natural Areas Acquisition Account of the Park and Open Space Fund.
- 5. The annual Property Taxes due to the City on the subject 15.884 acres total approximately \$14,388 in FY 1996-97. If the City purchases the property, such Property Taxes would no longer be paid to the City. Mr. DeLucchi states that the Estate would pay all delinquent taxes and penalties prior to close of escrow.

Recommendation:

Approval of the proposed legislation is a policy decision for the Board of Supervisors.



Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Items 4, 5, 6 and 7 - Files 271-97-1, 271-97-1,1, 84-97-2 and 172-97-1

Departments:

City Planning Real Estate

Mayor's Office of Community Development (MOCD)

Recreation and Park Department (RPD)

Items:

Resolution finding and determining that the proposed South of Market Redevelopment Plan Amendment will have significant impacts on the environment, and adopting and incorporating findings of the Final Environmental Impact Report, pursuant to the California Environmental Quality Act (File 271-97-1).

Resolution adopting amendments to the San Francisco General Plan in order to designate (a) the Bessie Carmichael School site (Lot 16 in Assessor's Block 3754) located at 55 Sherman Way between Cleveland and Harrison Streets, as public open space and (b) finding that the acquisition of property located at 349-365 7th Street and 45 Cleveland Street (Lots 62-64 in Assessor's Block No. 3754), known as the McCormick Trust property, by the City and County of San Francisco, and the transfer of said property to the San Francisco Unified School District for creation of a public school and the transfer of the Bessie Carmichael School site from the San Francisco Unified School District (SFUSD) to the City and County of San Francisco for creation of a public park, including playing fields and open space, is consistent with the City's General Plan (File 271-97-1.1).

Resolution authorizing the Director of Property to exercise the City's rights under an option agreement to purchase real property located at 349-365 7th Street and 45 Cleveland Street (the McCormick Trust property) and to make an additional payment of \$4,360,450 of Park and Open Space Funds for such property (File 84-97-2).

Resolution (a) authorizing the Director of Property to enter into an agreement with the San Francisco Unified School District for the exchange of real property located at 349-365 7th Street and 45 Cleveland Street (the McCormick Trust property) for real property located at 55 Sherman Way, which is currently the site of the Bessie Carmichael School, (b) authorizing the payment of \$800,000 in Park and Open Space Funds to the San Francisco Unified School District; and (c) authorizing the lease back by the City to the SFUSD of the Bessie

Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Carmichael School Site for a maximum period of three years (File 172-97-1).

Description:

On September 16, 1996, the Mayor and the San Francisco Unified School District (SFUSD) entered into a Memorandum of Understanding (MOU) (See Attachment 1), which outlined the conditions under which the City and the SFUSD would accomplish three real estate transactions: (1) San Francisco Community School/Excelsior Youth Center at 125 Excelsior Street. (2) Water Department property at 7th and Lawton Streets, and (3) the proposed subject Bessie Carmichael School/Proposed Property Exchange at 349-65 7th Street and 45 Cleveland Street. Each of these three projects is a separate project and the Board of Supervisors has previously approved the (1) San Francisco Community School/Excelsior Youth Center (Files 203-96-1 and 64-96-14) and the (2) Water Department (File 199-96-4) property projects.

The four proposed resolutions, that are the subject of this report, pertain only to this third real estate transaction, the Bessie Carmichael School/Proposed Property Exchange. Under the original MOU between the Mayor's Office and the SFUSD, the City would exchange the 349-365 7th Street and 45 Cleveland Street property (the McCormick Trust property) for the SFUSD's Bessie Carmichael School site property, located at 55 Sherman Way, which will be used by the City for playing fields and open space. The SFUSD wishes to construct a new elementary school on the adjacent parcel, known as the McCormick Trust property (See Map on Attachment II). However, the SFUSD reports that it does not have sufficient funds to purchase the McCormick Trust property and pay for building a new school. Therefore, the SFUSD proposed that the City purchase the McCormick Trust property, on behalf of the SFUSD, and allow the SFUSD to build a new elementary school on that site. In turn, the SFUSD would transfer to the City the present Bessie Carmichael school site, which is a larger piece of property. The City would then develop the old Bessie Carmichael school site into playing fields and open space, since the City, through its Open Space Committee, had been looking for an available site to create additional open space in the South of Market area.

In November, 1996, the Board of Supervisors authorized the Director of Property to enter into an option agreement to purchase the McCormick Trust property located adjacent to the Bessie Carmichael School site. In addition, the Board of Supervisors authorized the payment by the City of a non-refundable deposit of \$484,500 to the Trust of Josephine McCormick for an exclusive option to purchase the McCormick Trust property within five months. The last day of the five month option period is April 18, 1997.

The proposed resolution (File 84-97-2) would authorize the purchase by the City of the McCormick Trust property. The accompanying resolutions (Files 271-97-1 and 271-97-1.1) would adopt findings of the Final Environmental Impact Report and the General Plan Amendment. The final proposed resolution (File172-97-1) would authorize an exchange by the City of the McCormick Trust property for the neighboring SFUSD Bessie Carmichael School property.

The Real Estate Department has negotiated a purchase price of \$5,150,000 for the subject McCormick Trust property. As previously discussed, the City has already made a \$484,500 non-refundable payment, to the McCormick Trust, which will be credited toward the purchase price of the site. In addition, an amount of \$305,000 for environmental cleanup, to be conducted by the SFUSD, is being credited against the \$5,150,000 purchase price of the property, leaving a balance of \$4,360,500 (\$5,150,000 less \$484,500 less \$305,000) to be paid by the City for the purchase of the McCormick Trust property. The proposed resolution (File 84-97-2) authorizes the Director of Property to make this final \$4,360,500 payment for the McCormick Trust property.

In accordance with the MOU, at the time of the exchange, the City would pay the SFUSD \$800,000, which represents the difference in fair market value between the McCormick Trust property located at 349-365 7th Street and 45 Cleveland Street (\$5,150,000) and the fair market value of the SFUSD's Bessie Carmichael School site property located at 55 Sherman Way (\$5,950,000), including the market rental value of the site for three years (See Comment 5 for additional details). The \$800,000 would be paid with RPD's Park and Open Space Funds.

Comments:

1. Since the proposed project is within the South of Market Redevelopment Area, both the Redevelopment Agency and the Planning Commission had to approve the Environmental Impact Report (EIR). The Draft EIR was

published on September 20, 1996 and the public hearing was held on the Draft EIR before the Planning Commission and the Redevelopment Agency on October 24, 1996. The Planning Commission and the Redevelopment Agency certified the completion of the Final EIR on January 23, 1997.

The Final EIR found that the proposed project would have the following significant effects on the environment: (a) the project would result in significant environmental impacts in the areas of air quality, because of the resulting cumulative increase in nitrogen oxide and suspended particulate emissions, (b) a greater number of people would exposed to the potential risk of injury associated with toxic hazards or substantial groundshaking under the project; and (c) the project would have a significant effect on the environment in that it would result in South of Market traffic increases, specifically to a significant degradation of the level of service at the intersection of Sixth and Mission Streets.

Although there are significant environmental impacts from the proposed project, as stated in the proposed resolution, there are no mitigation measures that would be required prior to the approval of the acquisition of the proposed property.

- 2. The Department of City Planning determined that the proposed project would require an Amendment to the City's General Plan because the Citywide Recreation and Open Space Plan did not identify the proposed sites as open space areas. Approval of the proposed General Plan amendment would designate the particular sites as "Proposed Public Open Space, Acquire for or Convert to Public Open Space". This action would enable the acquisition and creation of the public park to be fully consistent with the City's General Plan. The Planning Commission has also found the proposed project to be in conformity with Section 101.1 of the City's Planning Code.
- 3. Mr. Ernie Prindle of the Recreation and Park Department reports that there is a balance of \$8,334,308 in the Park and Open Space Fund. These monies would be used to pay for the \$4,360,500 balance of funds needed for the purchase of the McCormick Trust property and the \$800,000 for the difference in price for the two property values, for a total of \$5,160,500 needed from the Park and Open Space Fund. The Park and Open Space Fund would therefore have a remaining balance of \$3,173,808 after

Memo to Finance Committee February 12, 1997 Finance Committee Meeting

purchase of these properties. According to Mr. Prindle, the RPD has been accruing monies in the Park and Open Space Fund for the purchase of the subject property over the last six to seven years.

- 4. In addition to the cost to purchase the property, Ms. Joanne Wilson of the Recreation and Park Department reports that it is estimated to cost approximately \$1.6 million to develop the park for playing fields and open space. The Park and Open Space Fund would be the source of funding for that project.
- 5. According to the proposed resolution (File 172-97-1), the City would lease back the Bessie Carmichael school site to the SFUSD for a maximum period of three years. During this three year period, the SFUSD would continue to occupy the existing Bessie Carmichael site, which would be owned by the City. The SFUSD would be responsible for maintenance of the school facility and grounds and all related expenses for the existing Bessie Carmichael School. When the three year period expires, the Bessie Carmichael School would be demolished by the City in order for the City to develop the parcel for playing fields and open space.
- 6. Mr. Tim Tronson of the SFUSD reports that the new Bessie Carmichael School is anticipated to cost approximately \$10 million. Mr. Tronson reports that the SFUSD currently has sufficient funds to construct the new school. In addition, Mr. Tronson reports that the SFUSD has applied to the State of California for additional funds to construct the new school with adjacent playing fields. According to Mr. Tronson, if the State provides additional funding for the SFUSD, there may be some funds available to assist the City in completing the City's development of the adjacent playing fields and open space.
- 7. According to the MOU, as a condition of the exchange of the properties, the City agrees to use the existing Bessie Carmichael property solely for open space and recreational purposes, including playing fields, for a term of at least 30 years from the date of the exchange.
- 8. Mr. Harry Quinn of the Real Estate Department reports that construction of the new Bessie Carmichael School, on the McCormick Trust parcel, is estimated to take approximately three years to complete. According to Mr. Quinn, the fair market rental value of the existing

Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Bessie Carmichael site for three years is \$305,000. Mr. Quinn reports that in lieu of the City receiving a \$305,000 three-year rental payment from the SFUSD, the SFUSD will be responsible for toxic remediation and demolition of the improvements on the McCormick Trust Property, as well as providing relocation assistance to the one existing tenant on the McCormick Trust Property. Mr. Quinn reports that there are currently three buildings on the McCormick Trust property, one of which is leased to Easterday Janitorial Supplies. According to Mr. Quinn, the cost of the toxic cleanup for the SFUSD at the McCormick Trust site is approximately equivalent to the \$305,000 rental payment, which the City would otherwise charge to the SFUSD, for the three-year ground lease for the Bessie Carmichael School site.

- 9. According to Mr. Mike Cohen of the City Attorney's Office, if the construction of the new Bessie Carmichael School takes longer than three years, such that the City cannot begin development of the old Bessie Carmichael site for open space and playing fields, the City would be eligible to begin collecting the then fair market rent from the SFUSD on the old Bessie Carmichael property. Mr. Cohen reports that the fair market rent would be determined at that time.
- 10. As shown in the map on Attachment II, there is a small strip of right-of-way property located on Sherman Way, between the Bessie Carmichael School and the McCormack Trust property, which is intended to be converted to park use at a later date. According to Mr. Larry Jacobson of the Real Estate Department, after the construction of the new Bessie Carmichael school on the McCormick Trust property, the City intends to vacate this portion of the Sherman Way right-of-way, and transfer the jurisdiction of the property from the Department of Public Works to the Recreation and Park Department. The existing Sherman Way street would be converted for park use, in connection with the Bessie Carmichael site. Mr. Jacobson reports that the vacation of this right-of-way and transfer of this property to park use would be subject to separate future Board of Supervisors approval.

Recommendation:

Based on the prior policy decision made by the Board of Supervisors, approve the proposed resolutions.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made as of <u>Sept. 16</u>
1996, between the City and County of San Francisco, represented by the Mayor, and the San Francisco Unified School District, represented by the Superintendent.

This MOU sets forth the principal terms and conditions under which the City and the School District intend to accomplish certain real estate transactions related to the construction and operation of a proposed Excelsior Youth Center on a portion of the existing San Francisco Community School site and the transfer of other real property between the City and the School District.

1. San Francisco Community School/Excelsior Youth Center

- a. Quitclaim. The City would quitclaim to the School District title to the entire San Francisco Community School site at no cost to the School District. This transfer would be based on a finding that the City currently holds fee title to that site in trust for the benefit of the State of California, and the State, acting through the School District, is the beneficial owner of land upon which school improvements are built and used for school purposes and has the right to manage and control the property.
- b. Ground Lease. The School District would ground lease to the City a portion of the playground which compromises the footprint of the proposed Excelsior Youth Center. The Ground Lease would be for a term of thirty (30) years with rent of One Dollar (\$1) per year payable by the City to the School District. The City would own fee title to the improvements during the term of the Ground Lease. The Ground Lease would include an option for the City to purchase the leased property and the School District's reversionary interest in the improvements for One Dollar (\$1) at the end of the Ground Lease term. The Ground Lease would include such other terms as negotiated between the parties, which may include but would not limited to construction requirements, indemnities, and other matters related to the construction and operation of the Excelsior Youth Center.

c. Construction Funding for Excelsior Youth Center

- i. School District Funding. The School District would pay to the City the sum of Two Million Three Hundred Thousand Dollars (\$2,300,000), to be applied towards construction of the Excelsior Youth Center. The School District anticipates that there will be sufficient funds available from the State of California Construction Fund (Leroy Greene Act) to provide most, if not all, of the Two Million Three Hundred Thousand Dollars (\$2,300,000) it must contribute to the construction of the Youth Center. The amount would be paid in accordance with the Leroy Greene Act Construction Fund release procedures when the general contractor's contract is awarded.
- ii. <u>City Funding</u>. The City would provide a maximum of Five Million Dollars (\$5,000,000) for the construction of the Excelsior Youth Center. In no event would the City be required to provide any amounts in excess of \$5,000,000.

- iii. Cost Overruns. In the event construction costs for the Excelsior Youth Center, in accordance with plans and specifications approved by the City and the School District exceed \$7,300,000, the School District would be solely responsible for funding any construction costs in excess of that amount at the time and in a manner which would permit completion of construction without the filing of any liens or other encumbrances as a result of any delays in construction.
- d. <u>Bidding Requirements</u>. The School District would be solely responsible for procuring the services of a general contractor for construction of the Excelsior Youth Center. Due solely to the fact that the City would be funding a portion of construction costs, the School District agrees to conduct such bidding and award the general contract in accordance with Chapter 12D of the San Francisco Administrative Code, to the extent allowed by State law.

e. Use of Excelsior Youth Center.

- i. <u>School District Use</u>. The School District would have exclusive use of the gymnasium portion of the Excelsior Youth Center during regular school days/hours. In addition the School District would have exclusive use of the entire Youth Center from 6:00 am through 12:00 noon on regular school days (September through June) for a period of thirty (30) years; subject to the right of the City or its successors to utilize portions of the Youth Center as needed and as agreed upon with the School District, and the City's or its successor's payment of costs for such use as described in Subsection (ii) (which costs shall not include rent).
- ii. Allocation of Operational Responsibilities. The City and the School District would each be solely responsible for all costs associated with the use and operation of the any portion of the Excelsior Youth Center during the time that any such portion is reserved for the exclusive use of that party. Such costs would include, but not be limited to, utilities, janitorial services, insurance, security and staffing. Prior to commencement of operation of the Excelsior Youth Center, the parties would agree on a mechanism for allocating the appropriate operating costs to each party and for providing each party with the appropriate access to the Youth Center.

2. Water Department Property located at 7th & Lawton Streets.

- a. Existing Ground Lease and Proposed Sale. The City, acting through its Public Utilities Commission ("PUC"), has previously ground leased to the School District the property located at 7th & Lawton streets. The City intends to request that the Public Utilities Commission consider the following actions with respect to such property and lease:
- i. That the PUC acknowledge the validity of the existing ground lease to the School District; and
- ii. That the PUC declare such property to be surplus to the PUC, and recommend to the City's Board of Supervisors that the City's reversionary interest in such property be sold to the School District for an amount not to exceed Ten Thousand Dollars (\$10,000.00), which shall be equal to the greater of (a) the present fair market value of such

reversionary interest, or (b) the City's historic cost of that property, as determined by the City's Director of Property.

- b. <u>School District Covenants</u>. As a condition to its ability to purchase this property, the School District would agree, in the form of a deed restriction or other binding document acceptable to the City, to use the property solely for school uses for a term of at least thirty (30) years from the date of sale to the School District.
- c. <u>Sales Proceeds</u>. The parties acknowledge that the proceeds from the sale of this property, as described in Section 2(a)(ii), would be deposited into the revenue account of the Public Utilities Commission.

3. Bessie Carmichael School/Proposed Property Exchange

- a. <u>Bessie Carmichael Property</u>. The School District currently holds fee title to the land and improvements comprising the Bessie Carmichael School.
- b. 7th & Harrison Property. The City, acting through its Director of Property, would use its reasonable efforts to enter into negotiations with the current owner of a portion of the property located at 7th & Harrison Streets (349-65 7th Street, 375 7th Street and 45 Cleveland Street) in order to purchase that property from its current owner. The School District would be allowed to participate in such negotiations, through the City's Department of Real Estate, to the extent necessary to protect the School District's interest as the potential ultimate owner of such property. Any such purchase, if finally consummated, would be funded solely with Open Space funds.
- c. Proposed Property Exchange. In the event the City acquires either the 7th & Harrison Property or the right to acquire that property, the City and the School District would then immediately enter into the transactions necessary for them to exchange title to the Bessie Carmichael and 7th & Harrison properties, such that the School District would hold fee title to the 7th & Harrison property for development of a new school and the City would hold title to the Bessie Carmichael property. The proposed exchange would be subject, at a minimum, to the following conditions:
- i. The City would pay to the School District Eight Hundred Thousand Dollars (\$800,000) at the time of the exchange.
- ii. Within three (3) years of the date of the exchange, the School District would be required to have completed construction of a new school facility on the 7th & Harrison property so that the facility is available for use by students of the existing Bessie Carmichael School. The School District would be solely responsible for paying all costs, performing all activities and obtaining all approvals associated with such construction, including but not limited to any such matters related to the presence of hazardous materials, if any, on the 7th & Harrison property.

- During such three-year period, the School District would be permitted to continue to operate the Bessie Carmichael School at its existing location at no cost to the City and at no rent to the School District.
- iv. When construction of the replacement school is completed, the City and the School District would retain fee title to the Bessie Carmichael School site and the 7th & Harrison property, respectively. As a condition to its ability to exchange this property, the City would agree, in the form of a deed restriction or other binding document acceptable to the District, to use the property solely for open space and recreational purposes for a term of at least thirty (30) years from the date of the exchange.
- d. Notwithstanding the transactions described above, the City's Department of Recreation and Parks and the School District would explore the possibility of the School District's being responsible for the construction of both the replacement school and proposed playing fields on the former site of the Bessie Carmichael School so as to maximize funds available to the School District for such construction.
- 4. Relationship of Transactions. The City and the School District intend that the process of documenting, obtaining approvals and satisfying any other conditions to the completion of each of the transactions described in Sections 1, 2 and 3 of this MOU may proceed independently of the other transactions, but that the closing of each transaction shall be conditioned on the parties' having entered into mutually acceptable agreements for the other transactions and have determined that appropriate conditions precedent have or will be satisfied.

Miscellaneous.

- Notwithstanding anything to the contrary in this MOU, the parties acknowledge the following: This MOU is a non-binding understanding between the City and the School District with respect to the transactions described herein. In entering into this MOU, neither the School District nor the City are in any way limiting their discretion or the discretion of any department, board or commission with jurisdiction over any of the transactions described in this MOU from exercising any discretion available to such department, board or commission with respect to those transactions, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed project. In addition to any conditions described in this MOU, the obligations of the City and the School District are expressly subject to the receipt of all legally required approvals, including but not limited to approvals from the Real Estate Department, the Public Utilities Commission, the Recreation and Parks Commission, the Board of Supervisors and the San Francisco Board of Education; and to the negotiation and execution of all final agreements necessary to complete the transactions described herein.
- b. All transactions described herein are subject to and must be conducted in accordance with the applicable requirements of the City's Charter and codes and applicable state or federal laws.

- c. The parties acknowledge that the transactions described in this MOU may include indemnities from the City, the School District or other parties, and that any such indemnities are subject to required approvals of any party.
- d. It is the intent of both parties to proceed expeditiously with the transactions described in this MOU. In any event, if the transactions described in this MOU are not completed and finally approved by September 1, 1997, this MOU shall be of no further force or effect as of that date, unless extended by mutual agreement of the parties.

The City and the School District have executed this Memorandum of Understanding as of the date first written above.

CITY

The City and County of San Francisco, a municipal corporation

Rv.

Willie Lewis Brown, Jr.

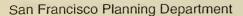
Mayor

SCHOOL DISTRICT

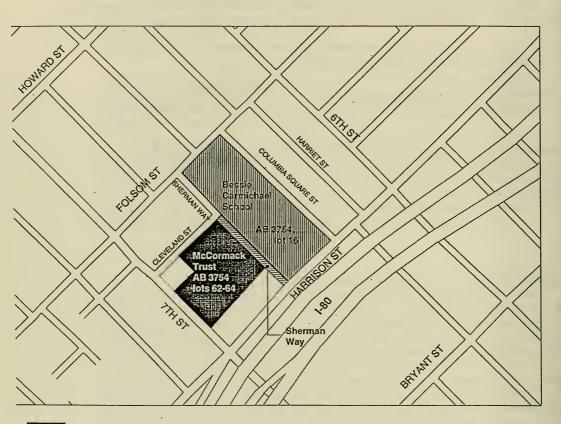
San Francisco Unified School District

By:

Waldemar Rojas Superintendent



Proposed City Acquisition of AB 3754, lots 62-64 and transfer to S.F. Unified School District in exchange for the Bessie Carmichael School Site, AB 3754, lot 16





McCormick Trust Property site, to be acquired by CCSF, transferred to SFUSD in exchange for Bessie Carmichael School Site



Bessie Carmichael School Site to be transferred from SFUSD to CCSF and converted to park use after new school constructed on AB 3754, lots 62-64



Portion of Sherman Way right-of-way to be converted to park use at a later date

G:WapinfoWPlan\Bessie.wor\Layout 2

Memo to Finance Committee February 12, 1997

Item 8 - File 25-96-1

Note: This item was continued by the Government Efficiency and Labor

Committee at its meeting of September 10, 1996.

Department: Port of San Francisco

Item: Resolution concurring with the controller's certification that

Janitorial Services for the Port can continue to be practically performed by a private contractor at lower cost than by City

and County employees.

Services to be Performed:

Janitorial Services for the Port (Attachment I), provided by the Port, is a list of the Port locations that will be served by

the proposed contractor.)

Description:

Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting Janitorial Services for FY 1996-97 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
Salaries Fringe Benefits Total	\$490,735 <u>155,464</u> \$646,199	\$501,061 <u>157,219</u> \$658,280
Contractual Services Cost	\$475,032	\$475,032
Estimated Savings	\$171,167	\$183,248

Comments:

- 1. Mr. Matthew Hymel of the Controller's Office advises that the Controller has certified the Estimated Savings for the subject Janitorial Services based on FY 1996-97 cost information submitted by the Port.
- 2. Ms. Veronica Sanchez of the Port advises that the FY 1996-97 Contractual Services Cost would remain unchanged

from the FY 1995-96 Contractual Services Cost of \$475,032 (See Comment No. 5).

- 3. Janitorial Services for the Port were first certified as required by Charter Section 10.104 in 1979 and have been continuously provided by an outside contractor since 1979.
- 4. According to Mr. Michael Ward of the Purchaser's Office, the current two year contract expired on February 29, 1996, and has been continued on a month-to-month basis since then with the following two contractors: (1) Township Building Service; and (2) Custodial, Janitorial Service and Building Maintenance. Custodial, Janitorial Service and Building Maintenance is an MBE firm. Mr. Ward advises that the two contractors will continue to perform the janitorial services on a month-to-month basis until such time as the Board of Supervisors approves the proposed resolution. Mr. Ward advises that the proposed contractor (See Comment No. 5) will provide all of the janitorial services which are currently performed by the two contractors listed above.
- 5. Mr. Ward advises that the term of the proposed contract is for a period of two years commencing upon approval by the Board of Supervisors, with a one-year renewal option. The Purchaser's Office selected the firm of GMG Janitorial, as the lowest of six bidders, to provide the proposed janitorial services for an amount of \$475,032.
- 6. Mr. Ward advises that GMG Janitorial is a WBE firm. Mr. Ward advises that GMG Janitorial currently does not provide health benefits to its employees or to the domestic partners of its employees. Mr. Ward reports that GMG Janitorial, pursuant to a letter addressed to the Board of Supervisors, intends to establish health coverage for its employees within 30 days of the Board of Supervisors approval of the contract. According to Mr. Ward, coverage will be extended to the domestic partners of its employees who are registered with the County Clerk-Recorder's Office.
- 7. Attachment II, provided by the Port, is the Controller's supplemental questionnaire with the Port's responses, including the MBE/WBE status of the contractor.

Recommendation:

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

The following buildings are part of the Janitorial contract.

501 Army Street
401 Terry Francois
Pier 70 Bldg. 11
Pier 9
Pier 27
Pier 33
Pier 33 1/2
Pier 35
Fisherman's Wharf Office
Ferry Bldg./WTC
Agri. Culture Bldg.

A ...

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department: Port of San Francisco

Period: Fiscal Year 96-97

1. Who performed services prior to contracting out?

Services were performed by City staff consisting at the time of 15 janitors, 1 janitor subforemen, and 1 Janitor Foremen, a total of 17 people, prior to the work being contracted out in November 1979.

- Number of City employees laid off as a result of contracting out?
 16 people were laid-off but immediately or shortly thereafter, hired by other City departments.
- Explain disposition of employees if they were not laid off.
 All were rehired in other City departments during 1979/80.
- 4. What percent of a City employee's time is spent on services to be contracted out?
 If work was not to be contracted out, it would be required 17 FTE.
- 5. How long have the services been contracted out? Since 1979.
- 6. What was the first fiscal year for a Proposition J Certification? 1979.
- 7. How will contract services meet the goals of your MBE/WBE Action Plan?
 Contractor is a WBE firm.
- 8. Does the contractor provide health insurance for its employees?

 No. City's Purchasing laws does not presently require health insurance for contractors.

Department Representative (Signature)

Veronica Janutez

Print Name

415-274-0413

Memo to Finance Committee February 12, 1997

Item 9 - File 101-96-42

Note: This report is based on an Amendment of the Whole which is being prepared by the Office of the Controller and the City Attorney, at the request of DPH.

Department: Department of Public Health (DPH)

Item: Ordinance appropriating \$62,310, Department of Public

Health, of new State Tobacco Tax (AB 75) revenues, and reallocating \$406,081 between various community health services and San Francisco General Hospital Tobacco Tax appropriations to reflect current expenditure plans, including \$229,744 of Tobacco Tax revenues for fringe benefits at San

Francisco General Hospital.

Amount: \$62,310 in new AB 75 funds to be appropriated;

\$406,081 in previously budgeted funds to be reallocated.

Source of Funds: State Tobacco Tax (Prop 99/AB 75) revenues

Description: The California Healthcare for Indigents Program (CHIP) is a

State program to provide medical care to persons unable to afford to pay for health care services. CHIP funds are derived from State Tobacco Tax (AB 75) revenues and are used to reimburse participating hospitals (county and non-county) for inpatient, outpatient, and emergency services, and also to reimburse participating private physicians for emergency, obstetric, and pediatric services provided to indigent persons. A portion of these funds is also used to pay DPH for the cost

of administering the program.

The Department of Public Health's (DPH) current FY 1996-97 budget appropriated \$9,017,274 in State Tobacco Tax revenues for the CHIP program. Subsequently, the State issued its final allocations for the current year indicating that the City will instead receive a total of \$9,079,584 in CHIP program funds in the current year, or \$62,310 more than was appropriated in the budget. In addition, the State's final allocation formula for 1996-97 CHIP program funds reflects a reallocation of \$406,081 in previously appropriated CHIP funds.

Because of the State revisions to the CHIP allocation formula for FY 1996-97, the Department of Public Health has submitted a supplemental appropriation request which would (1) appropriate \$62,310 in additional CHIP funds received from the State by DPH for FY 1996-97, and (2) reallocate a total of \$406,081 among the City's CHIP subaccounts for the current year (see Comment 1). According

to DPH, the purpose of the proposed ordinance is to "bring our revenue and expenditure budget in line with the State's total allocation for the current year."

The attachment to this report shows the proposed changes in the City's allocation of CHIP funds for FY 1996-97. The attachment shows (1) the allocation which was originally adopted in the 1996-97 budget for \$9,017,274 in CHIP funds, as well as (2) the proposed allocation of the revised total amount of \$9,079,584 in CHIP funds which DPH will receive in FY 1996-97 (which includes a \$62,310 increase in State CHIP funds to DPH).

Budget:

See Attachment

Comments:

1. As shown in the attachment, DPH recommends the following changes in the amount and allocation of the City's CHIP funds for FY 1996-97. The net fiscal effect of each of these changes is as follows:

1. Reduce funds to Non-County Hospitals:

Net effect

- Decrease formula-based CHIP reimbursements to non-County hospitals for medical service contracts by \$91,122 (from \$211,199 to \$120,077); (91,122)
- Decrease discretionary CHIP reimbursements to non-County hospitals for medical service contracts by \$81,098; (81,098)Subtotal (decrease to non-County hospitals): (\$172,220)*
- 2. Change source and amount of administrative and overhead charges
 - Decrease the amount charged to Other County Health Services for DPH Central Office overhead (10,024)*and administration by \$10,024.

- 3. Increase appropriations to SF General Hospital
- Increase CHIP revenues to San Francisco General Hospital by \$244,554, from \$6,229,454 previously budgeted to \$6,474,008; allocate the additional funds for fringe benefits and DPH administrative costs:

SFGH fringe benefits \$229,744 Central Office - Admin. 14,157 Central Office - Overhead 653 Subtotal (increase to SFGH):

244,554

4. Reallocate funds for Physician Services

 Reduce the Physicians Emergency Medical Services (EMS) Fund in the amount of \$213,813; (213,813)*

 Increase the Physician Services - New Contracts fund by \$213,813.

5. Change source of funds for Professional Services:

 Decrease discretionary CHIP reimbursements to non-County hospitals for professional services by \$10,024;

(10,024)*

• Increase CHIP reimbursements to other county health services (i.e. providers other than the County hospital) for professional services; 10,024

Net effect of AB 75 proposed reallocations (\$62,310)

• Increase 1996-97 AB 75 Appropriation Amount Increase total State CHIP revenues to San Francisco by \$62,310, (from \$9,017,274 to \$9,079,584), representing the appropriation of \$62,310 in new CHIP funding for the current year.

62,310

Net change

\$ 0

- * Amount to be reallocated is (\$406,081)
- 2. The calculations shown above (at Comment 1) reflect that, as a result of this proposed reallocation of \$406,081 in previously budgeted CHIP funds and the appropriation of \$62,310 in additional CHIP funds for 1996-97, there will be no net fiscal impact of the proposed appropriation ordinance on the City's General Fund.
- 3. As previously noted, \$244,554 will be reallocated from other programs to San Francisco General Hospital as a result of the proposed ordinance; of this amount, \$229,744 will be used for fringe benefits. According to Ms. Monique Zmuda, Chief Financial Officer for DPH, SFGH has experienced a shortfall in FY 1996-97 budgeted funds to pay fringe benefits at SFGH because of a \$3.5 million 1995-96 budget error involving fringe benefits at SFGH, which has continued to affect the budget in the current 1996-97 Fiscal Year. Ms. Zmuda indicates that DPH will submit another supplemental appropriation request in the near future in order to reallocate additional FY 1996-97 non-General Fund monies to correct remaining shortfalls at SFGH.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee February 12, 1997

- 4. In summary, approval of this request will properly account for DPH California Healthcare for Indigents Program-funds for 1996-97.
- 5. Ms. Zmuda has requested that this item be continued to the Finance Committee meeting of February 19, 1997.

Recommendation:

Continue the proposed ordinance to February 19, 1997, as requested by the Department of Public Health.

FY 1996-97 AB75/CHIP REVENUES & EXPENDITURES ANALYSIS

Comparison of FY 96-97 Board Approved Budget and FY 96-97 State Allocations, w/ Budgeted Amount for RTO CO-Overhead, Adjusted to Reconcile with Prop 99 Administrative Budget, and Shift of Physician Services EMS Fund To Physician Services-New Contracts

Sub- object Description		Non-County N Hosp Form Ho		Phys. Svcs. P EMS Fund N		Other Cty. Hith: Syca.	Total
Y 96-97 BOARD APPROVED BUDGE	т						
Revenues:							
AB 75	6,229,454	211,199	211,199	539,627	112,000	1,713,795	9,017,274
Expenditures: 02700 Professional Services	0	0	23,232	53,963	11,200	55,402	143,797
02700 Medical Service Contract	0	211,199	187,967	485,684	100,800	33,402	985,630
0935H Revenue Transfer to SFGH	5.852.203	0	0	0	00,000	1.610.009	7,482,212
0951G Rev. Trans. to CO-Admin.	327,415	ō	ō	. 0	ŏ	34,674	382,089
0951G Rev. Trans. to CO-Over.	49,836	0	Ō	Ö	Ó	13,710	63,546
•	0.000.454	244.400	044.400	#00.00m	440.000	4 742 705	0.047.074
Total:	6,229,454	211,199	211,199	539,627	112,000	1,713,795	9,017,274
Y 96-97 STATE ALLOCATIONS							
Revenues:							
AB 75	6,474,008	120,077	120,077	325,814	325,813	1,713,795	9,079,584
Expenditures:							
02700 Professional Services	0	. 0	13,208	32,582	32,581	65,426	143,797
02700 Medical Service Contract	0	120,077	106,889	293,232	293,232	0	813,410
0935H Revenue Transfer to SFGH	6,081,947	. 0	0	0	0	1,610,009	7,691,956 366,566
0951G Rev. Trans. to CO-Admin. 0951G Rev. Trans. to CO-Over.	341,572 50,489	0	0	0	ŏ	24,994 13,368	63,855
ugsig Rev. Trans. to CO-Over.	50,489					13,366	63,633
Total:	6,474,008	120,077	120,077	325,814	325,813	1,713,795	9,079,584
DIFFERENCE BETWEEN FY 96-97 BO	DARD APPRO	VED BUDGET	AND FY 95-9	7 STATE ALLO	CATIONS		
Revenues:							
AB 75	244,554	(91,122)	(91,122)	(213,813) .	213,813	0	62,310
Expenditures:							
02700 Professional Services	0	0	(10,024)	(21,381)	21,381	10,024	(
02700 Medical Service Contract	ō	(91,122)	(81,098)	(192,432)	192,432	0	(172,220
0935H Revenue Transfer to SFGH	229,744	0	0	0	. 0	0	229,744
0951G Rev. Trans. to CO-Admin.	14,157	0	0	0	0	(9,680)	4,477
0951G Rev. Trans to CO-Over.	653	0	0	0	0	(344)	. 308
Total:	244,554	(91,122)	(91,122)	(213,813)	213,813	0	62,310

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Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Items 10 and 11 - Files 101-96-43 and 102-96-9

Department: Art Commission

Items: Supplemental appropriation ordinance for salaries and

fringe benefits for the creation of one position at the Art

Commission (File 101-96-43).

Amendment to Annual Salary Ordinance reflecting the creation of one new 1312 Public Information Officer

position (File 102-96-9).

Amount: \$22,500

Source of Funds: Public Art Fund Revenue

Budget: Temporary Salary - Misc. \$20,740 Fringe Benefits 1,760

Total \$22,500

Description:

The proposed supplemental appropriation ordinance (File 101-96-43) would fund the creation of one temporary 1312 Public Information Officer position for the Art Commission for the six month period of January 1, 1997 through June 30, 1997. The companion ordinance would amend the Annual Salary Ordinance to create the one new position. The responsibilities of the proposed new position would include organizing a comprehensive public relations strategy for the Art Commission, answering public inquiries regarding Art Commission programs and activities, preparing agendas for the Art Commission meetings, consolidating the activities of the administration of the Art Commission, cultivating press contacts, producing a newsletter and publicizing Art Commission programs. According to the Art Commission. this position would ensure more regular and consistent coverage of the Art Commission's programs and provide greater visibility for the Art Commission and the City.

The Public Art Fund Revenue, which is the proposed source of funds for the requested position, receives the ticket sale proceeds from the Pops Symphony Concerts. In FY 1996-97, the Pops Symphony Concerts generated approximately \$280,000. The current balance in the Public Art Fund Revenue account is \$143,748.

Comments:

1. Currently, the Art Commission has a total of 20 FTE positions. Seven of these 20 positions are funded through

BOARD OF SUPERVISORS BUDGET ANALYST Memo to Finance Committee February 12, 1997 Finance Committee Meeting

the City's General Fund. The Art Commission also receives funding from the Street Artist License fees, Hotel Tax Funds, the Grant for the Arts, private funding and the Pops Symphony Concerts to finance the other positions. The Pops Symphony Concerts currently fund 2.5 FTEs in the Art Commission.

- 2. According to Ms. Nancy Gonchar of the Art Commission, a variety of existing staff from the Art Commission currently provide some of the functions (i.e., preparing agendas for Art Commission meetings and answering public inquiries) that would be performed by the proposed new Public Information Officer. However, some of the functions, (i.e., organizing a comprehensive public relations strategy, publishing a newsletter, grantwriting and fundraising) that would be provided by the new Public Information Officer are currently not being provided. In addition, as reflected in the memorandum attached to this report, the proposed new Public Information Officer would also be responsible for special new projects, such as Music Day and the Cultural Tourism Project.
- 3. Ms. Gonchar reports that the proposed new temporary Public Information Officer position will be requested in the upcoming Fiscal Year 1997-98 budget for the Art Commission as a regular permanent position.
- 4. The requested funds of \$22,500 would finance the proposed position for the six month period from January 1, 1997 through June 30, 1997. However, since the proposed position could not be filled until at least March 1, 1997, the requested salary funds of \$20,740 should be reduced by \$6,913 and the related fringe benefit funds of \$1,760 should be reduced by \$587 for a total reduction of \$7,500. Therefore, the total needed amount is \$15,000 (\$22,500 less \$7,500).

Recommendations:

Approval of the proposed new position, just four months prior to the adoption of the Fiscal Year 1997-98 budget, is a policy matter for the Board of Supervisors.

If the Board of Supervisors approves these ordinances, the proposed supplemental appropriation ordinance (File 101-96-43) should be amended to reduce the requested amount from \$22,500 to \$15,000 as detailed in Comment 4 above, including \$13,827 for temporary salaries and \$1,173 for fringe benefits.

BOARD OF SUPERVISORS BUDGET ANALYST



SAN FRANCISCO ART COMMISSION

Attachment

Page 1 of 2

Memorandum

PROGRAMS

CIVIC ART COLLECTION CIVIC DESIGN REVIEW COMMUNITY ARTS & EDUCATION CULTURAL EQUITY GRANTS POPS SYMPHONY CONCERTS

PUBLIC ART

STREET ARTISTS LICENSES 415.252.2581

February 6, 1997

TO:

DATE:

Debra Newman

FROM:

Nancy Gonchar

RE:

Supplemental Appropriation for Public Information Officer

CC:

Richard Newirth, Stanlee Gatti

AAT COMMISSION GALLERY 401 VAN NESS AVENUE 415.554.6080

In response to your questions regarding the necessity for a Public Information Officer for the Art Commission the following should clarify our position.

1) The Public Information Officer position is being requested at the urging of the Art Commissioners, In particular President Stanlee Gattl and other members of the Executive Committee with the strong endorsement of the entire Commission, in order for the department to fulfill a number of functions that are not accomplished by any staff person currently employed. The Commissioners are extremely concerned with the Art Commission's inability to fulfill our mandate to the citizens of the CCSF by informing and responding to public inquiries in a consistent and ongoing manner to our varied constituency. With ongoing scrutiny of government spending in the arts a knowledgeable and articulate spokesperson is essential.

Two years ago in an effort to respond to the same need for a public relations specialist, the Commission hired a private contractor to fulfill some of the functions outlined here. It was a dismal failure for a number reasons, chief among them a contractor is not familiar enough with the day-to-day operations (programs and projects) of the agency, and as a contractor could not perform her work at our offices in accordance with Civil Service requirements. For less money we can hire a staff person to fulfill the same functions in a much more effective manner.

Mayor Brown enthusiastically supported the Art Commission proposal to add this position as a direct means of achieving our goal to develop a consistent and informed voice for the department by realizing a comprehensive public relations strategy with the added benefit of increasing our funding base.

New additional functions of the Public Information Officer include but are not limited to the following:

CITY AND COUNTY OF SAN FRANCISCO Public Relations: Draft and institute a comprehensive public relations plan for the department that will raise the profile of the department enabling us to expand the scope and reach of our programs thereby serving our constituency in a much more effective manner. With the current staff we are unable to provide consistent public relations including: the timely distribution of press releases; the cultivation and maintenance of press contacts; establishing and maintaining a database for the press, funders, and our varied constituencies; a

Attachment

Page 2 of 2

consistent public spokesperson knowledgeable of all Art Commission programs and projects.

TO

- <u>Publications</u>: Publication of public Information documents such as a bi-annual newsletter that would be widely distributed nationally promoting the reputation of San Francisco as a cultural capital thus promoting tourism resulting in the potential of increased revenues to the Hotel Tax fund. Comparable cultural agencies in major cities such as NYC, LA, and Chicago all have active publication programs. We plan to pursue other publications such as artists books, tour guides of public art works, catalogues of the Civic Art Collection, special exhibition catalogues, etc. All of these publications have the potential of producing earned revenue.
- <u>Development/Fundraising:</u> Including both grantwriting and assisting the Commissioners in their efforts to increase the funding base through private donors and expand the scope of the Art Commission's programs and projects. The grantwriting/fundraising function currently is not part of any staff person's job description at the Art Commission. The PIO would identify potential funding sources, both governmental and private, and significantly increase the Art commission's efforts to bring additional money to the CCSF for arts programs.
- 3) Special projects that would be the primary responsibility of the Public Information Officer and that begin immediately and were anticipated when we submitted the initial supplemental request dated November 5, 1996 are:
- Music Day: Music Day is a annual city-wide series of free concerts that happens on the Summer Solstice (June 21st) all day and into the evening every year along Market Street from the Embarcadero to the Castro for the past six years. The Goethe Institute has sponsored and organized this event but is unable to continue their involvement. The Commission has deckled to sponsor and administer this event with the belief that this is an appropriate role for the Commission to assume. It is a one day celebration that is experienced by hundreds of thousands of people at the beginning of the summer tourist season. Events such as this are one of the many reasons that people love living in and visiting San Francisco. The Public Information Officer will assist Art Commissioners in raising the necessary funds for this event while also providing all the necessary press, publicity and marketing.
- Cultural Tourism Project: The objective of this tri-city (SF, LA and San Diego)
 effort is to promote tourism through the development of coordinated arts
 itineraries for each city with tour packages such as; hotel accommodations,
 museum and gallery tours, performing arts tickets, walking tours of San
 Francisco tourist attractions, etc. The Public Information Officer would be
 responsible for coordinating implementation with the Convention and Visitors
 Bureau while also designing, drafting, editing copy, and coordinating the
 printing for the tourist fitneraries.

Memo to Finance Committee February 12, 1997

ltem 12 - File 101-96-44

Department: Recreation and Park Department

Item: Ordinance appropriating \$300,000 from the General Fund

Reserve to purchase equipment for golf course maintenance

improvements.

Amount: \$300,000

Source of Funds: General Fund

Description: The proposed equipment requested by the Recreation and

Park Department would be used to improve the overall maintenance of the following five municipal golf courses

operated by the Department:

Name of Course
Jack Fleming 9
Golden Gate
Harding Park
Lincoln

Location
Skyline Blvd @ Harding Park
Golden Gate Park
Skyline Blvd @ Harding Park
Skyline Blvd @ Harding Park
Golden Gate Park
Skyline Blvd @ Harding Park
J4 Avenue @ Clement

Lincoln 34 Avenue @ Clement
Sharp Park Highway 1 @ Sharp Park

According to Ernie Prindle, Acting Assistant General Manager of the Recreation and Park Department, this \$300,000 request for the purchase of the new equipment is a critical component of a Nine Point Golf Improvement Plan approved by the Recreation and Park Commission at its September 19, 1996 meeting (see Attachment I).

The requested equipment is as follows:

Quantity	Type Es	timated Cost
1	Kubota Tractor	\$60,000
2	Trailers	
	(\$8,000 each)	16,000
2	Metermatic	
	(\$9,000 each)	18,000
2	84 inch Reel Mowers	
	(\$18,000 each)	36,000
2	72 inch Rotary Mowers	
	(\$18,000 each)	36,000
2	Cushman Utility Vehicles	
	(\$17,000 each)	34,000
3	Greens Mowers	
	(\$20,000 each)	60,000
1	Sparton Tow Behind Mower	21,000
1	Aerator	12,000

Quantity
2
Sod Cutters
(\$3,200 each)

Estimated Cost

Total Estimated Cost

\$6,400 \$299,400

Comments:

- 1. Attachment II, provided by Mr. Prindle, contains the estimated cost and an explanation for each piece of equipment being requested.
- 2. According to Mr. Prindle, since the submission of this supplemental appropriation request, the Department has determined that its FY 1996-97 actual revenues will exceed budgeted revenues by approximately \$760,000. Mr. John Madden, Chief Assistant Controller, has stated that such excess revenues would accrue to the General Fund at the end of FY 1996-97.
- 3. According to Mr. Prindle, all of the requested equipment would be classified as new equipment, rather than replacements for existing equipment. Mr. Prindle reports that although much of the existing golf course equipment is mechanically unreliable due to the age of the equipment, the Department intends to retain the older equipment to provide backup equipment at such times when the subject requested equipment is being maintained.
- 4. Mr. Prindle reports that this new equipment was not requested during the FY 1996-97 budget review because the Mayor's Office had imposed budgetary limits on the Department.
- 5. This supplemental request was originally submitted to the Mayor' Office in November of 1996. Mr. Eugene Clendinen of the Mayor's Office of Management and Budget has reconfirmed that the requested golf course equipment is a high priority. Mr. Clendinen reports that due to the deteriorating condition of the golf courses, it is the opinion of the Mayor's Office that it is necessary to take immediate action to renovate the greens.
- 6. Attachment III is a memorandum from Mr. Prindle which explains why this equipment should be purchased now, approximately four months prior to the FY 1997-98 annual budget review, without regard to the equipment priorities which will be considered in June by the Board of Supervisors for all City and County departments. The memorandum from Mr. Prindle contains a representation that \$233,000 in estimated golf course revenues (from \$5,122,000 to

BOARD OF SUPERVISORS BUDGET ANALYST

Memo to Finance Committee February 12, 1997

> \$4,889,000) would be lost to the City on an annual basis if the requested equipment is not approved by the Board of Supervisors at this time. The memorandum also contains the basis (calculations) for deriving the lost revenue amount of \$233,000.

> 7. The actual quotations obtained by the Purchaser, for each piece of equipment requested, total \$294,503, or \$5,497 less than the proposed supplemental appropriation (\$300,000 minus \$294,503).

Recommendation:

- 1. Amend the proposed supplemental appropriation ordinance to reduce the appropriation by \$5,497, from \$300,000 to \$294,503 in accordance with Comment No. 7 above.
- 2. Approve the proposed ordinance as amended.

Attachment I Page 1 of 2

Date: September 19, 1996

Re:

To: Recreation and Park Commission

From: Ernie Prindle, Acting Assistant General Manager

Golf Course Maintenance Improvements

Item 4 on the Commission's calendar for today is consideration of a multi-part study to evaluate the various options to improve golf course maintenance. Subsequent to the Finance Committee meeting on September 5, 1996 when this study was discussed with the Committee a detailed plan has been developed.

Current condition of all five department maintained golf courses is inadequate. This condition is the result of the department's increasing use of golf revenues to support other departmental operations. Currently, over \$2 million of golf revenues is use to support departmental operations. The following plan will significantly improve the overall condition of each course by the spring of 1997. If the overall condition is not improved by that time the department will enter into contracts with golf professional or other providers for golf maintenance.

- US Goif Association will evaluate condition of each course. The USGA will return in May 1997 to reassess golf course and use the initial survey as a benchmark to evaluate maintenance improvements.
- Rent credit totaling \$300,000 with golf professional for purchase of equipment. Sharp Park, Lincoln and Harding-Jack Fleming will each be given \$100,000 rent credits. This will provide each course with equipment. This item will be place on next month's Finance Committee calendar for consideration.
- Increase daily maintenance by reassigning four gardeners charged to golf budget to other sections.
- Assign full time operating engineer to golf operations to operate heavy equipment to assist in tee and trap renovations.



- Reassign six gardeners from throughout the department for at least six
 months for specific renovations projects. Renovations projects will begin at
 Harding-Jack Fleming. Priorities will be trap renovation, cleaning and
 mowing roughs and tee renovation and expansion. Cleaning and mowing
 roughs will be the first priority at Lincoln, followed by tee renovation and
 expansion. Traps and tee renovation will be the first priority at Sharp Park.
- Assign park maintenance crews from throughout the department for special projects to address deferred maintenance, to clean debris from roughs.
- .• Establish non- resident Senior and Junior green fees, and tournament charges to increase their usage and to optimize revenues. This item will be place on next month's Finance Committee calendar for consideration.
- The golf professional at each course will increase their advertising to promote the increased maintenance activities and to stimulate usage.
- A Golf Advisory Committee composed of members of the public, golf pro's and department staff will be established to discuss golf operations.

Recommendation:

• Approve the Golf Improvement Plan.



GOLF COURSE EQUIPMENT BUDGET

There are three good reasons for purchasing the below-listed equipment:

- We have not been able to properly budget for equipment purchases and replacements. We have experienced five years of declining budget, two years with zero equipment budgets. Older equipment is subject to more breakdowns and downtime, causing maintenance problems.
- 2. With the planned increases in staffing we will need more equipment.
- The full staff and special renovation crew will need equipment for planned accelerated renovation schedule.

New equipment will go to courses where oldest equipment is now in service. The Kubata tractor will be assigned to Harding, but will be available to all courses.

QUANTITY DESCRIPTION

APPROXIMATE COST

(1) KUBOTA L-35 TRACTOR with LOADER/BACKHOE/TILLER
BOXSCRAPER/ROTARY MOWER

The Kubota L-35 tractor will greatly improve our ability to do renovations and regularly-scheduled maintenance:

- Loading sand for top-dressing after aeration
- Renovating traps (lowering height because of sand buildup)
- Removing compacted sand from traps and replenishing
 - with fresh sand
- Renovating and expanding tees using loader, tiller and box scraper
- Rotary mower for roughs
- Mowing with seven-gang tow behind mower

\$60,000

(2) TRAILERS

There is only one trailer for the golf courses. There were three. These two additions will give us a trailer at each complex.

(\$8,000 each) \$16,000

FAX: (415) 668-3330 information: (415) 666-7200

TDD: (415) 666-7043

GREENS MOWERS

\$60,000

These mowers are used to cut the greens on a daily basis. Turf on the greens is the most closely-cut and highly

(\$20,000 each)

maintained surface on the golf course.

QUANTITY . DESCRIPTION

APPROXIMATE COST

(1)	SEVEN	GANG	SPARTON	TOW	behind	Mower	

This tow-behind unit will allow the operating engineer to assist the fairway mowing crew when grass is growing most vigorously or when they are off the job (vacation, sick leave, etc.).

......

\$21,000

(1) AERATOR

There is an aerator at each course for ongoing maintenance, especially tee renovation. During green renovation two aerators are operated at each course, with one held in reserve. Of the three aerators, we now have one that is five years old, and the other two are six years old. This will provide more backup.

..........

\$12,000

(2) SOD CUTTERS

There is presently only one Sod Cutter for the five golf courses. These two additions will give us a Sod Cutter at each golf complex.

(\$3,200 each) \$ 6,400

ESTIMATED. TOTAL \$299,400

BK:mww

24894

THE RESERVE THE PROPERTY OF TH

City and County of San Francisco

Recreation and Park Department



February 6, 1997

To: Jenelle Welling, Budget Analyst

From: Ernie Prindle

Re: Golf Course Equipment Supplemental

Per your request relating to our supplemental appropriation for golf course equipment, the following information is provided.

The requested equipment can be divided into two broad categories as shown below:

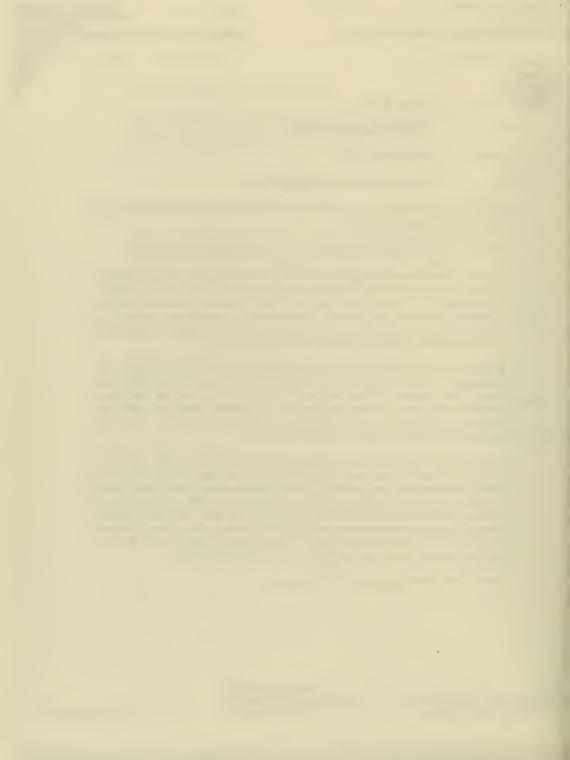
- Daily Maintenance: This equipment includes items such as mowers and cushmans.
 These items will be used daily and are essential to the overall condition of the course.
- Renovation: This includes such items as the Kubota Backhoe, metermatic and sod cutters. These items will be used for improvements to greens, traps and tees. It is essential that these improvements start in March so that improvements can begin prior to the summer, which is the busiest season at the golf courses.

Revenue loss at the golf courses is the result of fewer rounds played, especially by nonresident golfers. We are losing play to new courses and to packaged deals that make other courses more attractive. At the same time over the last five years, the golf course maintenance budget has been reduced and green fees increased making our courses less attractive to the golfer. In two of these years the golf courses did not receive any equipment, which directly relates to our current situation.

As a result, golf course revenue has decreased from \$5.7 million in FY 1993-94 to \$4,889,000 million this fiscal year, which is \$223,000 below budget of \$5,112,000. Our current year projection is a seasonally adjusted projection based upon actual revenue collected in prior years. Based upon prior year collections we expect 54 percent of total revenues to be collection during the first six months of the fiscal year. Based upon this trend we would expect actual revenue of \$2,776,000; however, actual revenue was only \$2,654,000 which, when annualized, results in the projected deficit of \$223,000. If this trend continues, golf course revenue will stay static or continue to decline.

Please contact me if you need any further information.

TDD: (415) 666-7043



Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Items 13 and 14 - Files 118-96-8 and 127-96-10

These items were continued by the Finance Committee at its meeting of Note:

January 29, 1997.

Department: Department of Public Health (DPH)

Items: File 118-96-8: Ordinance amending Sections 258, 451 and

609 of the Health Code relating to license and reinspection

fees for the DPH.

File 127-96-10: Ordinance amending Sections 35, 120, 248, 249.1 and 249.7 of the Revenue and Finance Code relating to

fees for license or permits for inspections by the DPH. Description:

The DPH Bureau of Environmental Health Management (BEHM) includes a Consumer Protection Division, which handles the inspection of establishments by the DPH, and a Toxics Division, which handles the oversight of businesses that produce, store or use hazardous materials or hazardous waste. In August of 1996 the Board of Supervisors authorized the DPH Bureau of Environmental Health Management (BEHM) to consolidate nine separate offices throughout the City into one centralized location at the Fox Plaza, 1390 Market Street. As a result, the Board of Supervisors approved a new lease for the centralized BEHM offices.

The additional cost of that lease, above the previous lease costs for the BEHM, is \$363,654 per year. In FY 1996-97, the additional cost will be \$276.428, because the relocation did not occur until December 1, 1996. The proposed ordinances would amend the City's Health Code (File 118-96-8) and the Revenue and Finance Code (File 127-96-10) to increase various filing, inspection and license fees to partially cover the increased lease costs.

The proposed ordinance amending the Revenue and Finance Code (File 127-96-10) would increase the filing fee charged by the DPH for a first-time inspection requested by a firm or required as a condition of the issuance of a first permit or license, from \$166 to \$174 (an increase of \$8). The charge for inspection services provided by the DPH pursuant to a permit or license or application, or by request of an establishment, would be raised by \$4 per hour, from \$85 per hour to \$89 per hour. The proposed changes to annual license fees are summarized in the Attachment to this report.

In addition to raising overall projected revenues, the proposed amendments to the Health Code and the Revenue and Finance Code would also change the basis for calculating

the fees charged to food establishments. Under the current Revenue and Finance Code, annual license fees for food product and food marketing establishments (which are businesses that handle, manufacture or sell food) are based solely on the value of the inventory held by the establishment, while most food preparation and food services establishments (which are businesses that prepare and service food) are charged \$510 in annual license fees. The proposed amendments would establish a range in the fees charged to food establishments, based on the size of the establishment and the type of establishment. See the Attachment to this report for the specific proposed license fees that would change under the proposed ordinances.

The proposed amendments to the Health Code (File 118-96-8) generally provide <u>definitions</u> for the types of food establishments that would be subject to specific license fees under the proposed amendments to the Revenue and Finance Code (File 127-96-10) described above. The proposed amendments to the Health Code would also raise the fee for reinspection by the DPH pursuant to identification of a code violation in a previous inspection (see Attachment).

Comments:

- 1. The Attachment provided by Mr. Jack Breslin of the BEHM shows the current and the proposed fees for those categories of BEHM fees that would change under the proposed ordinances (Files 118-96-8 and 127-96-10), as well as the amount of the proposed fee increase and the projected new revenue from each fee. Mr. Breslin advises that the revenue projections are based on application of the proposed new fees to the inventory of firms currently licensed by the DPH. The Budget Analyst concurs with these projections.
- 2. Mr. Breslin estimates that the subject proposed fee increases would generate approximately \$278,666 annually, which, when added to the annual revenues of \$4,395,245 collected from the existing fee structure, would result in total annual revenues of \$4,673,911.
- 3. While this proposed fee increase would cover estimated increased lease costs for FY 1996-97, in future years there would be an estimated shortfall of approximately \$84,988 (\$363,654 less \$278,666) needed to cover the DPH Bureau of Environmental Health Management's increased lease costs without requiring additional General Fund support. Mr. Breslin states that the BEHM Toxics Division will submit a separate proposed fee increase package to the Finance Committee at a later date that would be designed to close the remaining estimated shortfall of \$84,988.

Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Recommendation: Approve the proposed ordinances (Files 127-96-10 and 118-96-8).

FEE ADJUSTMENTS - 1996

Inventory 338 1012 1035 944	Establishment Type Restaurants (<500 sq ft) (501-1000) (1001-2000) (>2000)	Existing/New Fee/ Fee \$510/525 510/548 510/555 510/563	Increase (15) (38) (45) (53)	New Revenue \$ 5,070 38,456 46,575 50,032
			Subtotal	\$140,135
373 258 24	Bar/Tavern Take out Fast food	510/535 510/535 510/580	(25) (25) (70)	9,325 6,450 1,680
18	FP&S (non-fee)	-		-
-	FP&S (special event) application lst day 2nd day	50/85 25/50 20/30		52,774
26	Catering facilities	510/535	(25)	650
1	Temporary facilities	63/85	(22)	22
	Food demos	0/85	(85)	
5	Mobile food prep unit	389/408	(19)	95 ·
17	Commissary	510/535	(25)	425
52	Retail food vehicles	389/408	(19)	988
58	Pushcart (private property)	387/406	(19)	1,102
81	Stadium concession (permanent)	373 <i>/</i> 391	·(18)	1,458
28	Vending machines	63/66	(3)	84
6	Bed and breakfast ·	510/535	(25)	150
12	Boarding house	123/129	(6)	72
11	School cafeteria (private)	186/195	(9)	99
4	Hospital kitchen	510/580	(70)	280
				675.654

Inventory	Markets	New Fees	Increases	
0	Food Salvaging	0		
191	Candy (<900)	\$ 47/50	(2)	\$ 382
58	Candy (>900)	341/358	(17)	986
	Market w/o Preparation			
739	(<5000 sq ft)	341/348	(7)	5,173
64	(<10,000 sq ft)	341/355	(14)	896
26	(<20,000 sq ft)	341/362	(21)	546
18	(>20,000 sq ft)	341/369	(28)	504
Patall Food	Market with Preparation			
554	(<5000 sq ft)	341/355	(14)	7,756
8	(<20,000 sq ft)	341/375	(34)	7,736 272
21		341/382		861
21	(720,000 sq ft)	541/582	(41)	801
Retail Bake	шy			
78	(<2000)	341/354	(13)	1,014
31	(>2,000)	341/361	(20)	620
13	Produce Stand	341/358	(17)	221
4	Certified Farmers Market	341/348	(17)	68
Wholesale:	Food Market			
29	(Produce)	341/358	(17)	493
27	(Bakery)	341/358	(17)	459
22	(Meat)	341/358	(17)	374
39	(Fish)	341/358	(17)	663
18	(Processed food)	341/358	(17)	. 306
2	(Confections)	341/358	(17)	34
106	(Other)	341/358	(17)	. 1,802
56	Food Manufacturing/Processing	341/358	(17)	952
				004.000
				\$24,382

MISCELLANEOUS

Inventory		•		
	Laundry		44.	
17	Hand	\$ 49/51	(2)	34
. 65	Wash	105/110	(5)	325
307	Auto	16/17	(1)	307
11,003	Machines	5/mach/6	(1)	11,003
				\$11,669
				4 , • • •
	Swimming Pool			
128	(year-round)	243/255	(12)	1,536
11	(6-month)	209/219	(10)	110
				\$ 1,646
				4 1,070
•	Pet Shop			_
	Kennel			_
	Stable			
	Riding Academy			
	Pet Hospital			_
724	Wells and Well water	42/44	(2)	1,448
77 .	Certified Backflow Tester	78/	'	
	Decal/cross connection		-	~
21	Massage parlor/tattoo parlor	100/105	(5)	105 ⁻
•				
	Plan Check			
	Monitoring wells	85/89	(4)	12,384
	Complaint investigation	60/63 per hr	(3)	1,635
	Companiemvesagadon	00/05 pc. III	(2)	1,000
1201	Application fee	160/174	(8)	9,608
% %				
		Total New	Revenues	\$278,666

Memo to Finance Committee February 12, 1997 Meeting of Finance Committee

Items 15, 16 and 17 - Files 172-97-4, 101-96-46 and 102-96-11

Department: Public Utilities Commission (PUC)

Items: File 172-97-4: Resolution approving and authorizing the City to enter into a cooperative agreement with the Navy, from

April 1, 1997 through September 30, 1997, whereby the City's Public Utilities Commission will assume certain responsibilities regarding the operation and maintenance of utilities on Treasure Island prior to the Navy's closure of Treasure Island on October 1, 1997 and the Navy will

reimburse the City for the costs therefore.

File 101-96-46: Supplemental appropriation ordinance for costs incurred by the PUC in taking over the operations and maintenance of the utility systems serving Treasure Island for April 1, 1007 through September 20, 1007

for April 1, 1997 through September 30, 1997.

File 102-96-11: Amendment to the FY 1996-97 Annual Salary Ordinance reflecting the creation of 12 positions in the PUC and Department of Public Works to staff assumption of responsibility for utility operation and maintenance at

Treasure Island.

Amount: \$2,058,214

Source of Funds: United States Navy Public Works Center

Description: <u>Background</u>

The Naval Station located on Treasure Island and Yerba Buena Island (the Naval Station) was selected for closure by the Federal government in 1993. The closure of the Naval Station is currently scheduled to occur on or about September 30, 1997. The City and County of San Francisco has been designated as the Local Reuse Authority for the Naval Station. The Naval Station is still owned by the Federal government. However, the Mayor's Office is engaged in negotiations with the Navy regarding an interim agreement under which the City would assume responsibility for public safety, building and grounds maintenance and operation of the utility systems for the two year period from October 1, 1997 to October 1, 1999. Subsequent to October 1, 1999, it is anticipated that the City will request conveyance of the Naval Station from the Federal government to full ownership by the City.

The Board of Supervisors approved Resolution No. 672-96 in July of 1996 endorsing a draft reuse plan for the Base as the

preferred alternative for purposes of initiating environmental analysis and meeting the requirements of Federal base closure laws. In November of 1996, the Board of Supervisors approved an ordinance (File 64-96-16) authorizing the Mayor to enter into leases, licenses and other agreements with the Navy regarding the Naval Base, and in turn to enter into subleases, sublicenses and other agreements with any third parties for a term of less than two years without competitive bidding, subject to Board of Supervisors approval.

Proposal for Early Takeover of Utilities

Ms. Laurie Park of Hetch Hetchy reports that the Navy has requested that the City take over the operation and maintenance of the Treasure Island utility systems as of April 1, 1997, six months prior to the October 1, 1997 official base closure. The Treasure Island utility systems consist of the potable water system, the sanitary sewer system, the natural gas system, the electrical distribution system and the storm drainage system. Ms. Park states that the Navy informed the City of its plans to close its own utility operations as of April 1, 1997, and advised the City that, if the City did not wish to assume early responsibility for the utilities, the Navy would solicit a private operator on a temporary basis. The Navy has agreed to reimburse the City for all costs of such operations and maintenance for this six month period, up to \$2,058,214. (See description of Cooperative Agreement, below.) According to Ms. Park, the City's Treasure Island Project staff believe that early takeover of the utilities will provide the City with an opportunity to learn about these systems and refine longer term operations plans and budget estimates.

Treasure Island Cooperative Agreement

The City and the Navy are expected to enter into a cooperative agreement regarding responsibility for Treasure Island during the two year interim period from the time of the base closure on October 1, 1997 through October 1, 1999, when final disposition of Treasure Island is expected to be resolved. However, because the Navy is requesting earlier takeover by the City of the utility systems, a Cooperative Agreement regarding this specific six month arrangement for the period from April 1, 1997 through September 30, 1997 is being submitted at this time for Board of Supervisors approval (File 172-97-4). The Cooperative Agreement has been drafted in such a way that it could be amended, subject to Board of Supervisors approval, to incorporate the terms of

the agreement for the interim period (October 1, 1997 through October 1, 1999) at a later date.

The proposed Cooperative Agreement commits the Navy to reimbursing the City for costs up to \$2,058,212 for operation and maintenance of the utility system from April 1, 1997 through September 30, 1997. The Navy would, in signing the Cooperative Agreement, approve the proposed budget submitted by the City (see Budget, below). The City would bill the Navy for actual costs incurred up to the \$2,058,212 limit. Mr. Michael Cohen of the City Attorney's Office advises that the City would not assume the responsibility to make capital repairs under the proposed Cooperative Agreement.

Supplemental Appropriation and Creation of Positions

The proposed supplemental appropriation ordinance (File 101-96-46) would appropriate the \$2,058,214 of Federal funds that the Navy has agreed to provide, on a cost reimbursement basis, for City operation of the Treasure Island utility system from April 1, 1997 through September 30, 1997. (The Budget Analyst notes that the proposed supplemental appropriation would provide \$2 more than the budget that is authorized under the proposed Cooperative Agreement.) The amendment to the FY 1996-97 Annual Salary Ordinance (ASO) would create 12 temporary, limited tenure positions to staff utility operation and maintenance on Treasure Island.

These limited tenure positions would terminate upon expiration of the Cooperative Agreement (File 172-97-4). Mr. Larry Florin of the Mayor's Office advises that, if the proposed Cooperative Agreement is amended as expected to extend for the period from October 1, 1997 through September 30, 1999, the limited tenure positions would also extend until September 30, 1999. However, Mr. Florin advises that, at the end of the six month period now covered by the proposed Cooperative Agreement (April 1, 1997) through September 30, 1997), the Mayor's Office and the PUC will evaluate whether or not there will be sufficient funding to continue all 12 of the proposed positions. Mr. Florin states that the subject positions will only be continued after September 30, 1997 if sufficient funding is projected from a combination of Federal sources and sales of utility services to subtenants of the City. (See Comment No. 3.) Mr. Florin advises that, if the City takes title to Treasure Island and its utility services after September 30, 1997, it will be necessary to develop a more permanent staffing structure supported by the rate base on Treasure Island.

Budget:

A budget for the operation and maintenance of the utility systems on Treasure Island from April 1, 1997 through September 30, 1997, provided by the PUC, is shown in Attachment 1 to this report. Mr. Phil Arnold of the PUC states that the budget was developed based on information provided by the Navy regarding its own costs to operate the utility system, as well as on evaluations by PUC and Department of Public Works (DPW) staff. Mr. Arnold reports that the Navy's annual cost to operate the Treasure Island utility systems is approximately \$4 million. Therefore, Mr. Arnold states that the PUC believes that the proposed budget of \$2,058,212 for six months is realistic.

In addition to staffing (discussed below), the budget provides for training of the new personnel during the month of March. Workorders to the Department of Public Works (DPW) would be used for building repair (\$40,000 for crafts services) and sewer repair services of \$125,000. Mr. Arnold reports that budgeted items for fuels & lubricants, water sewage treatment supplies, chemicals, other current expenses, and other materials and supplies were, as described above, based on Navy costs and PUC staff estimates.

Personnel:

The proposed amendment to the Annual Salary Ordinance (File 102-96-11) would create 12 limited tenure positions, as follows:

				Total
			Maximum	Maximum
No. of		Bi-weekly	Annual	Annual
Positions	<u>Title</u>	Salary	Salary	Salary
1	7252 Chief Stationary Engineer	\$2,522 - \$2,522	\$65,824	\$65,824
1	7373 Sr. Stationary Engineer	\$2,265 - \$2,265	59,117	59,117
3	7372 Stationary Engineer	\$2,005 - \$2,005	52,331	156,993
2	7334 Stationary Engineer	\$1,819 - \$1,819	47,476	94,952
1	7250 Plumber Supervisor I	\$2,145 - \$2,607	68,043	68,043
1	5504 Project Manager II	\$2,850 - \$2,850	74,385	74,385
1	7229 Transmission Line Supervisor I	\$1,985 - \$2,412	62,953	62,953
<u>2</u>	7338 Electrical Line Worker	\$1,765 - \$2,135	55,724	111,448
12	Totals			\$693,715

The project budget would fund these positions for six months. Attachment 2 to this report shows the current staffing by the Navy of the Treasure Island utility systems. Although the Navy utilizes different position titles, Attachment 2 shows that the Navy currently employs 14 FTEs to operate and maintain their utility systems on Treasure Island. In addition, the Navy hires additional staff on an hourly basis, totaling an estimated 34,105 additional hours for Federal FY

1996, or approximately an additional 19 FTEs, for a total of 33 FTEs. Mr. Arnold states that the PUC and the Treasure Island Project staff of the Mayor's Office believe that the City can operate the utility systems with 12 FTEs, along with work orders to the DPW for approximately 7 FTEs for six months, or a total of 19 FTEs, on a regular basis. Although the 19 budgeted FTEs is 14 less than the FTEs used by the Navy, Mr. Arnold advises that the proposed budget includes sufficient funds (approximately \$459,145; see Comment No. 1) under Other Current Expenses to permit the Treasure Island Project to pay for similar additional hours of staff time on an as-needed basis, from existing PUC and/or DPW positions, as are currently utilized on an hourly basis by the Navy.

Comments:

- 1. The Budget Analyst notes that the Other Current Expenses line item includes, in addition to approximately \$241,894 in specific sewer-related expenses which are included in the overall Other Current Expenses line item, approximately \$459,145 in contingency funds. Because the City has no prior experience in administering the Treasure Island utility system, provision of sufficient funds in the budget to permit comparable staffing to that currently employed by the Navy, as well as to cover unanticipated expenses, appears to be a prudent course of action. The Budget Analyst notes that the Navy will pay the City for actual costs incurred, so Federal funds would not be expended unless the City demonstrates to the Navy that the expenditures were justified under the Cooperative Agreement.
- 2. The proposed Cooperative Agreement for the period April 1, 1997 through September 30, 1997 (File 172-97-4) states that any parcels on Treasure Island for which the Navy conveys title or leasehold interest to the City would be removed from coverage by the Cooperative Agreement. In other words, the Navy would not reimburse the City for "caretaker service" (e.g. operation and maintenance of utilities from April 1, 1997 through September 30, 1997) performed on properties that have been conveyed or leased to the City.
- 3. Mr. Arnold states that the PUC and the Mayor's Office are preparing a budget for ongoing maintenance and operation of utilities (as well as other responsibilities, such as public safety, to be undertaken by the City) as of October 1, 1997. Mr. Arnold advises that the City expects to negotiate amendments to the proposed Cooperative Agreement with the Navy to cover the two year caretaker period from October

- 1, 1997 to October 1, 1999. Anticipated amendments pertaining to the utility systems are expected to cover the City's costs for utility services from a combination of sales of utility services to subtenants of the City, and Federal reimbursement. Such amendments would be subject to Board of Supervisors approval. (See Comment No. 4.)
- 4. The proposed resolution approving the Cooperative Agreement (File 172-97-4) states that the Navy and the City will attempt to negotiate and enter into amendments to the Cooperative Agreement prior to October 1, 1997, which are expected to (1) extend the City's agreement to operate and maintain the utility system for another two years and (2) provide for City assumption of responsibility for public safety and building and grounds maintenance for the two year period from October 1, 1997 through September 30, 1999. The proposed resolution states that amendments to the Cooperative Agreement will be subject to Board of Supervisors approval. The proposed resolution would, however, authorize the Mayor to modify the Cooperative Agreement without Board of Supervisors approval, so long as such modifications do not materially increase the obligations or liabilities of the City, and are necessary and advisable to carrying out the intent of the resolution.

Recommendation:

Approve the proposed resolution (File 172-97-4), supplemental appropriation ordinance (File 101-96-46), and amendment to the FY 1996-97 Annual Salary Ordinance (File 102-96-11).

PUC								
13-Jan-97	PUC							
13-Jan-97	Treasu	re Island Operation and	Maintenance Bud	get				
13-Jan-97								
Description	·P····							
Perm Salaries	\docs\tio							· ·
Chief Stationary Engineer								
Perm Salaries	Object	Description	Position	Class	Salary	Months	4	Total
Sr. Stationary Engineer 7373 59117 6 \$ 29,559 Stationary Engineer 7372 52331 6 \$ 26,166 Stationary Engineer 7334 47476 6 \$ 23,738 Stationary Engineer 7334 47476 6 \$ 23,738 Stationary Engineer 7334 47476 6 \$ 23,738 Plumber Supervisor 7250 68043 6 \$ 34,022 Project Manager 5504 74385 6 \$ 37,193 Transmission Line Sup 7229 62953 6 \$ 31,477 Electrical Line Worker 7338 55724 6 \$ 27,862 Electrical Line Worker 7338 55724 6 \$ 27,862 Sub-total		Perm Salaries						Total
Stationary Engineer 7372 52331 6 \$, 26,166 Stationary Engineer 7334 47476 6 \$, 23,738 Stationary Engineer 7334 47476 6 \$, 23,738 Plumber Supervisor 7250 68043 6 \$, 34,022 Project Manager 5504 74385 6 \$, 37,193 Transmission Line Sup 7229 62953 6 \$, 37,193 Transmission Line Worker 7338 55724 6 \$, 27,862 Electrical Line Worker 7338 55724 6 \$, 27,862 Electrical Line Worker 7338 55724 6 \$, 27,862 Electrical Line Worker 7338 \$, 15,104 \$, 9,062 \$, 36,49 Sub-total			Chief Stationary Engineer	7252	65824	6	\$	32,912
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WTR			Electrical Line Worker	7338	55724	6	\$	27,862
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Sub-totals (non-salary): \$492,605 \$786,332 \$432,417 \$1,711,354	81	Services of other departments (se	wer repair)		\$125,000		_	125,000
	-		·					-
TOTAL: \$ 2,058,212		Sub-totals (non-salary):		\$492,605	\$786,332	\$432,417	\$ 1	,711,354
	·	TOTAL:					\$ 2	,058,212

Attachment 2

TREASURE ISLAND MANPOWER INFORMATION

PUMP STATION OPERATIONS
Pipefitter
Pipefitter
Welder

BOILER PLANT OPERATIONS Boiler Plant Operator Boiler Plant Operator Boiler Plant Operator Boiler Plant Operator Boiler Plant Operator

SEWAGE PLANT OPERATIONS
Utility System Operator
Sewage Disposal Plant Operator
Sewage Disposal Plant Operator
Sewage Disposal Plant Operator
Sewage Disposal Plant Operator
Utility System Operator Supervisor

Additional manpower was utilized to maintain and repair the distribution systems on Treasure Island, although, they were not staffed with a dedicated workforce assigned to Treasure Island. This manpower provided from our Core Work Centers in the form of High Voltage Electricians, Pipefitters, and Welders. The manpower required for Fiscal Year 96 has been projected out as follows:

SYSTEM Electrical	MANHOURS2,310
Potable Water	5,970
Sanitary Sewers	i6,736
Natural Gas	208
Steam	8,881

EncI (4)

Memo to Finance Committee February 12, 1997

Item 18 - File 64-97-3

Department: Municipal Railway

Item: Resolution approving a lease between the Municipal

Railway and the California Department of Transportation (CalTrans) for the use of the upper deck of the Transbay Terminal, and indemnifying the State of California.

Location: Transbay Terminal, First & Mission Streets, 2nd floor

Purpose of Lease: To provide a terminus in San Francisco for a new

Municipal Railway bus line connecting Treasure Island with downtown San Francisco (at the Transbay

Terminal).

Lessor: California Department of Transportation (CalTrans)

Lessee: Municipal Railway (MUNI)

Annual Cost: Caltrans would charge MUNI a \$1,000 annual "access

fee" for MUNI's use of a designated passenger loading area for the Treasure Island route, and the use by MUNI passengers of the services available at the Transbay

Terminal.

Utilities and Janitor

Provided by Lessor: All building services will be provided by CalTrans, as

lessor.

Term of Lease: Commencing March 1, 1997, the lease would continue

indefinitely until terminated by either party by providing at least 90- days prior notice in writing to the other party of

its decision to terminate the lease.

Source of Funds: Municipal Railway FY 1996-97 budget.

Description: Treasure Island has recently been vacated by the U.S.

Navy and is now accessible to private citizens. The Municipal Railway (MUNI) has contracted since December 2, 1996 with AC Transit District to provide passenger bus service between San Francisco and Treasure Island for a period of 90 days. This 90 day period

will expire March 2, 1997.

MUNI has decided to provide bus service to Treasure Island, in lieu of contracting with AC Transit to operate this route. In order to use the Transbay Terminal as the terminus of this route, MUNI must pay an access fee of

Memo to Finance Committee February 12, 1997

\$1,000 to CalTrans, which operates the Transbay Terminal.

All contracts, leases, or other agreements, in which the City agrees to indemnify another party, must be approved by the Board of Supervisors. The proposed lease agreement contains the following indemnification clause:

[MUNI] agrees to indemnify and hold harmless, the State and the employees, officers, and members of the State from and against all liability for injuries to, or death of, any person or damage to property, including loss of use of such property, caused by any negligent of (sic) wrongful act or omission on the part of [MUNI's] buses, or in the use of said area and facilities in approaching or departing from the loading or unloading areas.

Comments:

1. According to the proposed lease, CalTrans' annual access fee of \$1,000 must be paid by the City,

...yearly, in advance, on the first day of each year during the term of the lease...[beginning] February 1, 1997. Rent payable hereunder for any period of time less than one year shall be determined by prorating the monthly rental herein specified based on a 12-month, 30-day month.

Mr. Peter Strauss of MUNI states that the lease which will be entered into between MUNI and CalTrans will commence March 1, 1997, although the lease which was submitted to the Board of Supervisors shows an effective date of February 1, 1997. Mr. Strauss indicates that MUNI will modify the agreement to have a beginning date of March 1, 1997.

2. The Budget Analyst notes that if MUNI services commence March 1, 1997, as anticipated, MUNI would need to pay for only 10 months of occupancy at the Transbay Terminal, or \$833, during the 1997 calendar year.

Recommendation:

Approval of the proposed resolution, which contains an indemnification provision, is a policy matter for the Board of Supervisors.

Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Item 19 - File 60-97-3

Department:

Office of the Mayor

Item:

Resolution submitting a ballot proposition for the June 3rd, 1997 Special Election. If approved, the ballot proposition would authorize the City to issue Lease Revenue Bonds to finance a portion of a new Stadium Development project at Candlestick Point in a principal amount not exceeding \$100 million. The ballot proposition would further provide that no City taxes would be increased or newly imposed without State Proposition 218 voter approval (Proposition 218 approved by the California electorate in November of 1996 states that certain new taxes, tax increases or tax extensions require a majority vote of the electorate).

Description:

The amount of the net proceeds from \$100 million in total lease revenue bond funds that would be realized, if this proposed resolution and the resulting ballot measure were approved by the Board of Supervisors and the voters, would be part of the City's contribution to a proposed football stadium and retail and entertainment mall at Candlestick Point. The proposed football stadium and mall would be constructed under a joint development agreement between the City, DeBartolo Entertainment and the San Francisco 49ers.

The existing 70,000 seat 3Com Park at Candlestick Point would be demolished when the new stadium is completed. The new stadium and integrated mall would cover approximately 26 acres and 20 acres, respectively, on the existing stadium parking lot site.

According to a project description provided by DeBartolo Entertainment, the proposed stadium would consist of approximately 200 luxury suites seating 3,600 people, 10,000 club seats, and 61,400 regular seats, for a total of 75,000 seats. The design would focus on providing the highest number of points of sale or concessions, souvenirs, programs, and the most restrooms of any stadium in existence. The design would incorporate state-of-the-art technology in order to minimize crowded concourses and lines, thereby promoting fan comfort and safety. There would be club-level lounge and restaurant areas that will service the club seats and suites.

It is anticipated that the proposed integrated retail and entertainment mall would consist of specialty shops, several major anchor retail establishments, food and entertainment, including cinema, and other smaller retail stores. It is currently anticipated that the mall would be constructed in two levels, with approximately 1,000,000 square feet on the lower level, and

approximately 400,000 square feet on the second level. The mall would be designed to be an integral part of the stadium.

The preliminary cost estimates for the entire project, as estimated by the 49ers and DeBartolo Entertainment is shown in the table below.

49ers Preliminary Estimates of Project Costs

Stadium	\$250,000,000	
Traffic	14,070,000	
Fly-over to Mall	700,000	
Paved Loop Road	3,000,000	
Parking	24,990,000	
Demolition of 3Com Park	6,000,000	
Utility Services	5,000,000	
Toxics	2,400,000	
Private Land Acquisition	5,000,000	
Temporary Parking	2,500,000	
Sub Total		\$313,660,000
"Soft Costs" *		
Owner Retained Consultants	3,000,000	
Marketing and Sales	7,500,000	
Insurance	2,500,000	
Contractor Bonds	1,500,000	
Property Tax During Construction	1,250,000	
Testing and Inspection	2,000,000	
Plan Check, Permits, Fees	2,500,000	
Owners Construction Staff	2,250,000	
Financial Studies, Plans, Audit	500,000	
		23,000,000
Mall Construction		200,000,000
Total Project		\$536,660,000

^{*} Soft Costs are generally those costs that are not construction project related.

General Terms of the Development Project

No development agreement between the City, DeBartolo Entertainment and the 49ers exists at this time. The Budget Analyst has discussed general terms of the proposed Stadium/Mall project with representatives of the Mayor's Office, DeBartolo Entertainment and the 49ers.

Based on these discussions, we have learned that in addition to the net proceeds from the proposed \$100 million lease revenue bond issuance, the City would also contribute net proceeds from the sale of Tax Increment Bonds through the Redevelopment Agency in the maximum amount that could be supported by new Possessory Interest Tax revenues generated by the new Stadium/Mall facility. As will be discussed later in this report, the Budget Analyst estimates that additional Possessory Interest Tax Revenue related to the project would support a Tax Increment Bond Issuance of approximately \$37 million at current interest rates for tax exempt bonds.

In addition to bond funds of up to \$137 million described above, the City would be responsible for 50 percent of the annual operating and maintenance cost of the Football Stadium only. There is no agreement on exactly what costs will be included in "operations and maintenance" for the new Stadium and no estimate of the annual expenditures required for this purpose is available from either the Mayor's Office or representatives of DeBartolo Entertainment and the 49ers. The Mayor's Office has estimated that the final figure for total operations and maintenance costs to be shared by the 49ers and the City will not exceed \$8.0 million annually during the initial years of operation of the Stadium, with the City paying \$4.0 million annually.

Mr. Steve Agostini, the Mayor's Director of Finance states that it is the City's intent to obligate the 49ers to a long term lease for the full term of bonded indebtedness for the \$100 million in proposed Lease Revenue Bonds, and that the City would own the Stadium once the Lease Revenue Bonds are paid off. Mr. Agostini adds that the Lease Revenue and Tax Increment bonded indebtedness of approximately \$137 million represents the City's total commitment to the proposed development project and that the only other expense to the City would be 50% of ongoing operating and maintenance costs for the Stadium estimated by the Mayor's Office to be \$4,000,000 annually in the initial years of operation of the Stadium. Lastly, the Stadium will only be built if the retail and entertainment mall is built to begin operations at approximately the same time as the Stadium. However as previously noted, no final agreement presently exists on this matter.

Estimated Changes in City Due to the **Proposed** Development Project

Currently, the City's Recreation and Park Department receives approximately \$5,872,000 annually in rent and naming rights Revenues to the revenue from the 49ers. When the new football stadium and mall begins operations however, the 49ers and DeBartolo Entertainment will enter into a rent-free stadium lease with the City, and payments to the Recreation and Park Department (RPD) will cease.

Revenues which would no longer accrue to the Recreation and Park Department when the new stadium begins operations, based on the 1996-97 budget, are as follows:

Reductions to 3Com Park Revenue if the Proposed New Stadium is Built

Admissions to 49er's Games	\$2,908,000
Stadium Naming Rights *	1,000,000
Sony Corporation Advertising	90,000
Sony Scoreboard Operating	328,000
Parking	576,000
Luxury Suite Revenues	592,000
Reimbursements for Utilities	290,000
Other Revenues	88,000
Total	\$5,872,000

^{*} The current stadium naming rights agreement will expire in 1999. However, a new agreement would likely take its place if 3Com Park were to continue operations.

The 49ers estimate that other General Fund revenue to the City from football games at the new stadium will increase as shown below:

Estimated Changes in General Fund Revenue From Football Games

Admission Tax	Current 3Com Park Revenues \$1,119,570	Revenues from New Stadium \$1,196,250	<u>Increase</u> \$76,680
Temporary Adminssion Tax (High School			
Sports)	559,785	598,125	38,340
Parking Taxes	752,838	935,000	182,162
5% Utility Tax	17,910	20,000	2,090
Gross Receipts	200,000	400,000	200,000
Sales Tax	<u>88,106</u>	<u>152,537</u>	64,431
Total	\$2,738,209	\$3,301,912	\$563,703

The revenue increases shown above are primarily due to the increased attendance at football games when the larger stadium would be built. The Budget Analyst has reviewed the basis of the 49ers' estimates and generally concur with the estimates shown above.

The Budget Analyst has worked with the Assessor's Office to develop estimates of Possessory Interest Tax revenue from the proposed stadium and mall development project. Currently, the 49ers pay approximately \$423,000 annually in Possessory Interest Taxes, of which approximately \$287,000 is allocated to the City's General Fund, Library Fund, Childrens Fund, Open Space Fund and General City Bond Fund. The Assessor's Office estimates that, based on the estimated cost of construction of the proposed stadium and mall, and the value of the public land which the project will occupy, the projected Possessory Interest Tax revenue for the new project will be approximately \$6,770,000 annually, or \$6,347,000 more than the current annual Possessory Interest Tax revenue of \$423,000. Of this incremental amount of \$6,347,000 annually, the Budget Analyst estimates that approximately \$3,680,000 would be the maximum amount available for required housing program contributions and annual financing of Tax Increment Bonds through the Redevelopment Agency, with the balance of \$2,667,000 allocated to other taxing entities including the San Francisco Community College District, San Francisco Unified School District, Bay Area Air Quality Management District, and the Bay Area Rapid Transit District. As mentioned previously, the Mayor's Office expects that the maximum amount of Possessory Interest Tax incremental revenues that will become available will be used to pay debt service on Tax Increment Bonds. The estimated \$3,680,000 in annual incremental Possessory Interest Tax revenue would be sufficient to pay debt service on a total bond issuance of approximately \$37,000,000.

Lastly, the 49ers and DeBartolo Entertainment estimate that the new retail and entertainment mall would produce significant new Sales Tax and Gross Receipts Tax revenue to the City's General Fund. Although an agreement with a mall operator has not been reached at this time, the 49ers and DeBartolo Entertainment are discussing such an agreement with the Mills Corporation, an operator of four similar malls in Washington D.C., Philadelphia PA, Ft. Lauderdale FL and Chicago Ill. Based on their experiences in these locations, the 49ers and DeBartolo Entertainment project total retail sales of \$400,000,000 annually beginning in the year 2001. The Budget Analyst notes that the Mills Corporation reports average retail sales in 1995 of \$294 per square feet of retail space. If that sales rate is sustained for the new retail and entertainment mall, then total sales would approximate \$411,600,000 for the 1,400,000 square foot mall.

An amount of \$400,000,000 annually in retail sales will generate \$5,000,000 in annual Sales Tax revenue to the City's General Fund (which receives revenue based on one percent of the total 8.5 percent Sales Tax rate) and to the City's Public Safety

Augmentation Fund (which receives revenue based on 0.25 percent of the 8.5 percent Sales Tax rate). To the extent that these Sales Tax revenues do not replace existing Sales Tax revenue from other sources, they will represent new revenue to the City. The Mayor's Office and the 49ers and DeBartolo Entertainment believe that all such revenues will be "new" because the new retail and entertainment mall will provide a unique attraction not found elsewhere in the City and will draw a substantial customer base from jurisdictions South of the City, such as San Mateo County. The Budget Analyst believes it would be reasonable to project some drop off in Sales Tax revenues from other San Francisco locations instead of assuming that all Sales Tax revenue from the proposed mall would be new.

To the extent that retail sales are not fully realized in the estimated amount of \$400,000,000 annually, or such sales supplant other retail sales that would produce Sales Tax revenue for the City, the amount of new Sales Tax revenue that would be received by the City would be reduced. For example, if total retail sales amounted to \$300,000,000, Sales Tax revenue would be \$3,750,000 annually. If such sales supplanted \$50,000,000 in sales that would have occurred in San Francisco anyway, then the actual <u>new</u> sales tax revenue would amount to \$3,125,000 annually to the General Fund, or \$1,875,000 less annually than the projected \$5,000,000 annually in new General Fund monies.

The 49ers and DeBartolo Entertainment also project new Gross Receipts Tax revenue to the City of \$1,400,000 annually based on new retail sales and rents at the proposed retail and entertainment mall.

Estimated Changes in Expenditures Due to the Proposed Development Project Based on the estimated current interest rate for lease revenue bonds that would be sold by the City for a project such as described above, the estimated average annual debt service requirement for a principal amount of \$100 million in total bonded indebtedness would be approximately \$8,100,000.

In addition to debt service costs, other expenditure changes would result in reductions to the RPD budget since RPD would no longer be responsible for stadium operations, maintenance and debt service for 3Com Park, offset by the City's 50% share of operations and maintenance costs at the proposed new football stadium, estimated to cost \$4,000,000 million annually. The following table shows the impact of these changes.

Reductions to 3Com Park Expenditures Offset by City's Share of Operations and Maintenance at the Proposed New Football Facility

Reduced RPD Expenditures at 3Com Park	
Personnel Costs	\$(981,788)
Fringe Benefits	(245,447)
Materials and Supplies	(305,246)
Services of Other Departments	(848,076)
Equipment	(94,499)
Other Current Expenses	(1,384,329)
Facility Maintenance	(700,000)
Debt Service *	(1.800,000)
Total Reductions	\$(6,359,385)

City's Share of Maintenance and Operations	
at the Proposed New Stadium	4,000,000

Net Reductions to the City in Operations and Maintenance Costs \$(2,359,385)**

At the present time, approximately \$4,200,000 annually in Hotel Tax funds are credited to the RPD. Such funds were originally allocated to cover the annual debt service requirements at 3Com Park. However, Hotel Tax revenues have grown, and the portion of the Hotel Tax credited to RPD exceeds the debt service amount. Presently, approximately \$1,800,000 in annual debt service payments are paid for 3Com Park from the Hotel Tax proceeds, and the balance of \$2,400,000 subsidizes the RPD's annual operating budget. As noted above, the existing bonds for 3Com Park will be retired in 1999 and the annual debt service will cease. saving \$1.800,000 annually. However, since \$2,400,000 of the \$4,200,000 in Hotel Tax funds essentially replace what would otherwise be General Fund costs in the RPD budget, if the \$4,200,000 in Hotel Tax Funds are applied to the financing of the new stadium and development project, a General Fund deficit in the RPD budget would result.

Under the as yet unwritten agreement between the City and the 49ers and DeBartolo Entertainment, the City would assist the 49ers in leasing State lands to be used for game day parking. Such properties are currently leased from the State and used for game day parking by a private parking operator.

^{* 3}Com bonded indebtedness will be retired in 1999.

^{**} Net cost reduction of 2,359,385 less debt service reduction of 1,800,000 equals 559,385

In summary, City expenditures would increase by approximately \$12,100,000 annually (\$8,100,000 for debt service and \$4,000,000 for the City's share of operations and maintenance at the proposed new football stadium. These new expenditures would be offset by reduced RPD expenditures for operations and maintenance of 3Com Park in the amount of \$6,359,385. Net new costs to the city would therefore amount to approximately \$5,740,615 annually.

Economic Benefits of a Superbowl at the New Football Stadium Mr. James Reuben, Attorney for the 49ers and the DeBartolo Corporation has informed the Budget Analyst that the National Football League has guaranteed in writing that, by building a new stadium, the City and County of San Francisco will host the Superbowl that follows the 2001 season (January 2002). According to Mr. Reuben, economic impact analyses prepared or the National Football League have consistently demonstrated that a Superbowl will generate over \$300 million in economic benefits for the host city or region. Finally, Mr. Reuben adds that, by building a new stadium, San Francisco will become a top contender and enter the rotation for additional Superbowls subsequent to the guaranteed event at the end of the 2001 football season.

The Budget Analyst notes however that the \$300 million in "economic benefits" mentioned by Mr. Reuben above far exceeds any direct revenues that would be received by the City's Treasury as the result of a Superbowl event.

New Jobs as a Result of the Proposed Development Project The Budget Analyst has not received any analyses of the economic benefits which should accrue to San Francisco residents and the local economy as a result of the proposed development project. While such jobs and economic benefits could be significant, the data required to measure such benefits does not exist at this time.

Comments:

- 1. As stated elsewhere in this report, many issues related to this proposed stadium and mall development project remain unresolved. As such, various questions concerning the costs and benefits of the project cannot be answered at this time. These unresolved issues and questions include:
 - The exact terms and conditions of the forthcoming development agreement between the City and the 49ers and DeBartolo Entertainment since such an agreement does not exist at this time;

- The terms and conditions of the lease agreement between the City and the 49ers and DeBartolo Entertainment since such a lease does not exist at this time;
- A final agreement between DeBartolo Entertainment and an operator for the retail and entertainment mall;
- A detailed study of retail sales that could be produced by a mall at the proposed site, and the extent to which resulting Sales Tax revenue would supplant existing Sales Tax revenue from other retail and entertainment establishments in San Francisco;
- The actual cost of debt service payments for the \$100 million in lease revenue bonds which will be determined by interest rates at the time the bonds will be sold and the ratings received for the bonds;
- The assessed valuation of the new project and resulting incremental Possessory Interest Tax revenue that would be used to fund additional Tax Increment Bond funds for the proposed development project;
- The actual cost of operations and maintenance at the new stadium, of which 50 percent will be paid by the City;
- The extent to which the proposed development project would retain existing jobs and generate new employment opportunities for residents of the area.
- 2. Although much of the financial information provided to the Budget Analyst by the Mayor's Office and the 49ers and DeBartolo Entertainment are rough, preliminary estimates, the table on the next page summarizes the financial information provided to the Budget Analyst at this time.

In summary, if the new stadium and mall are built, and using the new revenue estimates provided by the Mayor's Office, the 49ers and DeBartolo Entertainment, the currently estimated net effect of the proposed changes in General Fund Revenues and Expenditures resulting from the proposed development project will be to increase the City's General Fund expenditures by \$4,648,912 annually. This estimate assumes that the estimated \$5,000,000 in incremental Sales Tax revenue that would be produced by the new retail and entertainment mall will be fully realized and not supplant Sales Tax revenue that the City would receive from other shopping centers.

Summary of Changes in General Fund Annual Revenues and Expenditures for the Proposed Stadium and Development Project

Revenue Changes:	Increases (Decreasese)	
Increases:	(======)	
Sales Taxes (page 61)	\$5,000,000	
Gross Receipts Taxes (page 61)	1,400,000	
Other Tax Revenues (page 59)	563,703	
Decreases:		
3Com Park Revenues (Page 59)	(5,872,000) (1)	
Net Increase In Revenues		\$1,091,703
Cost Changes:		
Increases:		
Debt Service (page 61)	\$8,100,000 (2)	
Decreases:		
Operations and Maintenance (page 62)	(559,385)	
Debt Service (Current) (page 62)	(1,800,000)	
, , , , ,		
Net Increase in Costs		5,740,615
		21. 7010.70
Total Cost Increases Less Revenue Increases		

(1) Current naming rights agreement expires in 1999. To the extent that annual revenues are not replaced, this revenue loss would decrease.

\$4,648,912

(2) If the amount of the lease revenue bond issuance is reduced from the \$100 million maximum through the availability of increased Tax Increment supported bond funds, then the debt service requirement would be reduced.

Recommendation: The proposed resolution is a policy matter for the Board of Supervisors.

Resulting in a net Annual General Fund Cost to the City

Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Item 20 - Files 216-95-1.2

Note: This item was continued by the Budget Committee at its meeting of February 5, 1997.

Item:

Ordinance selecting and setting aside certain real property at 1003 Turk Street in the Margaret S. Hayward Playground, Assessor's Block 759, Lot 1, consisting of the following: (1) A subsurface 10-foot wide sewer line to service the new Combined Emergency Communications Center ("CECC"); (2) an emergency ingress and egress right-of-way to and from Octavia Street; and (3) an aerial encroachment area over the southern boundary of the property on which the new CECC is to be constructed; and amending Section 6 of Ordinance No. 80-96 to provide an elevation adjustment to Assessor's Block 759, Lot 1 (the "Hayward Playground"), to allow for the construction of the underground parking structure for the CECC.

Description:

The City and County of San Francisco is planning to consolidate its emergency services communications functions in the Police Department, Fire Department, Department of Public Health, Paramedic Division, Department of Parking and Traffic, and the Mayor's Office of Emergency Services into a Combined Emergency Communications Center (CECC), scheduled to be completed in 1999. The CECC will house the 911 emergency call-taking activities, and the combined dispatch of Police, Fire, Emergency Medical, and Traffic Control operations.

Findings

The Board of Supervisors, pursuant to Section 6a of Article XIV of the 1898 and 1929 Charters, Sections 11.101 and 11.102 of the 1932 Charter, and Section 18.01 of the 1996 Charter, has the authority to select and set aside, by ordinance, real property in the Hayward Playground, formerly known as Jefferson Square, for the construction of buildings and related improvements to serve as a central communications center to allow for effective responses to City-wide emergencies.

By Ordinance No. 80-96, dated March 3, 1996, the Board of Supervisors found that the construction and operation of the new CECC is a use for which real property in the Hayward Playground may be set aside under the Charter. Because the present Central Fire Alarm Station and the Interim Emergency Command Center Site must remain operational during the construction period of the new CECC, the Board of

Supervisors allocated other real property in the Hayward Playground for construction of the new CECC.

By Ordinance No. 80-96, the Board of Supervisors also determined that upon completion of the CECC, the existing Central Fire Alarm Station and the interim Emergency Command Center would be demolished and replaced with certain recreation facilities. The Board further determined that jurisdiction of the recreation facilities site would be transferred to the City's Recreation and Park Commission upon completion of the new recreation facilities, except for the subsurface area which would be retained by the Department of Telecommunications and Information Services.

In selecting and setting aside the additional property for the CECC, the Board of Supervisors established the policy that any further set-aside of Hayward Playground property could only be for boundary adjustments or for other reservations of subsurface space that may be necessary for the design, construction, or operation of the CECC and do not significantly interfere with the recreation purposes of such property.

In designing the CECC, the Bureau of Architecture of the Department of Public Works has determined the following:

- 1. The existing sewer line servicing the Central Fire Alarm Station and Emergency Command Center is inadequate for the new CECC building and will need to be replaced with a new subsurface sewer line to be located closer to the CECC.
- 2. The underground parking structure to be constructed for the CECC building, consisting of 57 parking spaces, will need to be at its highest point two feet above the existing floor slab in the Central Fire Alarm Station.
- 3. The underground parking structure will require an emergency right-of-way for ingress and egress to and from Octavia Street.
- 4. An aerial encroachment area is necessary for overhangs and building movement over the southern boundary of the property.

The Recreation and Park Department has reviewed the proposed property and boundary adjustments and

determined that they do no significantly interfere with the recreational purposes of the property.

Effects of Proposed Ordinance

The proposed ordinance would (a) amend Section 6 of Ordinance No. 80-96, as described in point number one below, (b) effect adjustments to the area set aside for the CECC at the Hayward Playground, as described in point numbers two, three, and four below, and (c) establish property jurisdictions, as described in point number five below.

- 1. Section 6 of Ordinance No. 80-96 would be replaced in its entirety. Pertinent changes are as follows:
 - a. Reference to the total demolition of the present Central Fire Alarm Station and the Interim Emergency Command Center is changed to the demolition of only the first story of those two existing buildings. (The structures below the first stories of the two buildings include communications vaults and other facilities that the City wishes to retain).
 - b. Reference to the right of the Department of Telecommunications and Information Services to use the area below the new recreation improvements is changed to the area commencing at two feet above the existing first floor slab of the Central Fire Alarm Station. (The additional two feet would provide space for the construction of a new roof and new roof structure).
 - c. Reference to the Real Estate Department Map No. 2 is changed to the "Site Map." The proposed ordinance further specifies that the above-referenced "Site Map" is the map filed with this proposed ordinance (the Attachment) and not the map filed with Ordinance No. 80-96.
- 2. The subsurface area shown in the Site Map (see "New Sewer Line" in the "Attachment") for the purpose of installing, operating, and maintaining an underground, ten-foot wide, sewer line to service the CECC would be set aside.

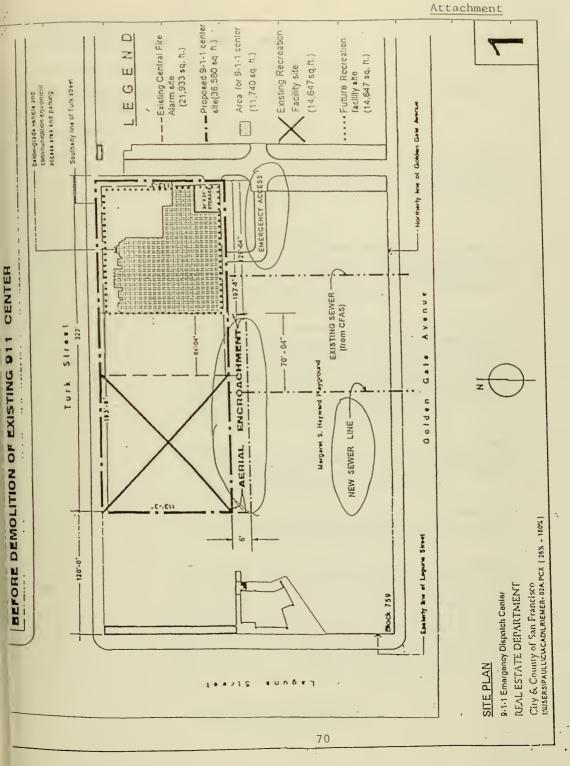
- 3. The area designated on the Site Map (see "Emergency Access" in "Attachment") for the purpose of installing, operating, and maintaining a vehicular emergency right-of-way for ingress and egress to and from Octavia Street would be set aside.
- 4. The area necessary to allow for an encroachment area extending no more than 72 inches for overhangs and movement of the CECC over the southerly boundary of the property would be set aside (see "Aerial Encroachment" in "Attachment"), provided that the overhang encroachment does not interfere with existing structures.
- 5. All of the areas selected and set aside by this proposed ordinance would be under the jurisdiction of the Department of Telecommunications and Information Services, successor to the Department of Electricity and Telecommunications. Further, all areas selected and set aside under Ordinance No. 80-96 and formerly placed under the jurisdiction of the Department of Electricity and Telecommunications would be under the jurisdiction of the Department of Telecommunications and Information Services.

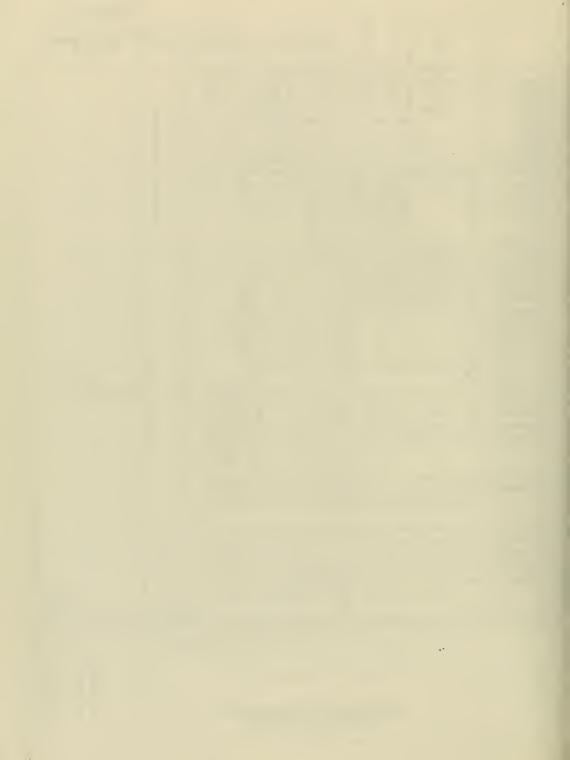
Comments:

- 1. According to Mr. Paul Travis of the Bureau of Architecture, the cost of the proposed new sewer line is estimated to be \$30,000 and the cost of the proposed vehicular emergency right-of-way for ingress and egress is estimated to be \$20,000, which would be funded using 911 Dispatch Center Project funds.
- 2. This Item, File 216-95-1.2, is a companion to Item No. 21, File 170-96-10, which is also on the Finance Committee calendar for the meeting of February 12, 1997.
- 3. In summary, the proposed ordinance would set aside certain real property in the Hayward Playground required by engineering refinements made by the Bureau of Architecture. The proposed property to be set aside would not, according to the Recreation and Park Department, significantly interfere with the recreational purposes of the property.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Memo to Finance Committee February 12, 1997 Finance Committee Meeting

Item:

Items 21 and 22 - Files 170-96-10 and 127-97-1

Note: These items were continued by the Budget Committee at its meeting of February 5, 1997.

Department: Department of Administrative Services

File 170-96-10: Proposed ordinance to authorize lease financing in an aggregate principal amount not to exceed \$25.0 million to finance the construction of the Combined Emergency Communications Center (CECC), also referred to as the 911 Dispatch Center.

The proposed ordinance would:

- rescind a prior ordinance that created a master lease for both the Citywide 800 Megahertz Radio System and the 911 Dispatch Center (ordinance No. 208-94) so that separate project leases and financing can be established for the new 911 Dispatch Center alone;
- approve lease agreements between the San Francisco Finance Corporation and the City for the construction of the 911 Dispatch Center and the leasing of the completed 911 Dispatch Center by the City (the San Francisco Finance Corporation is a non-profit organization established for purposes of issuing and managing various forms of bonded or lease-backed debt for equipment and facilities that are lease-purchased by the City);
- approve the issuance of lease revenue bonds by the San Francisco Finance Corporation for the construction of the 911 Dispatch Center and a continuing disclosure agreement related to the bond issuance; and,
- approve an Official Statement related to the issuance of lease revenue bonds and the execution of documents in connection with the matters described above.

File 127-97-1: Proposed ordinance amending the Municipal Code, Part III, Article 10A to increase the estimate of total projects costs for which 911 Emergency Response Fee Revenue can be used for the 911 Dispatch Center from \$57,851,000 to \$67,153,821 and to increase the cap on 911 Emergency Response Fee revenue from \$49.0 million to \$60.0 million. The 911 Emergency Response Fee is the \$.50 per month per phone line fee on residential and commercial telephone users in San Francisco that will provide partial funding for the entire 911 Dispatch Center project.

Description:

Total project costs for the 911 Dispatch Center are now an estimated \$71,184,821, including \$67,153,821 in costs that can be partially offset (in the amount of approximately 82 percent) by the 911 Emergency Response Fee revenue, and \$2,031,000 in Community Mitigation Costs plus \$2,000,000 in Information System costs that cannot be included in the total costs that can be offset by the 911 Emergency Response Fee revenue. The \$71,184,822 total includes total debt service of approximately \$51.0 million on a bond principal amount of approximately \$35 million.

The current total project cost estimate of \$71,184,821 exceeds previously reported estimates of \$59,975,947 million by \$11,208,874. Therefore, the Department of Administrative Services is requesting approval of the proposed amendment to the 911 Emergency Response Fee ordinance to increase the cap on total revenues that can be collected by \$11.0 million, from \$49.0 million to \$60.0 million. Such an increase would permit collection of additional fee revenue in order to avoid the necessity for an increase in General Fund costs for the project (see Comment 3). Also, the 911 Emergency Response Fee ordinance would be amended to permit the use of alternative funding sources without reducing the amount of 911 Emergency Response Fees that could be collected. Under the existing ordinance, use of such alternative funding sources would reduce the total 911 Emergency Response Fees that could be collected on a dollar for dollar basis.

The amount of this first proposed lease revenue bond issuance shall not exceed \$25.0 million (actual issuance amount is anticipated to be \$23,750,000), the proceeds of which will be used for construction of the 911 Dispatch Building at the Margaret S. Hayward Playground site (in the block bounded by Golden Gate Avenue, Gough Street, Turk Street and Laguna Street). A subsequent bond issuance in the amount of approximately \$10.0 million for Mobile Computing Terminals (MCTs), Automated Information System (AIS) records management hardware, and Computer Aided Dispatch (CAD) hardware is expected to be requested in approximately June, 1998.

As previously noted, this initial bond issuance of \$23,750,000 is intended to provide funding for the construction of the 911 Dispatch Center building. The projected estimated sources and uses of the bond proceeds for this <u>initial</u> issuance are shown in the table on the following page: (See Comment 1 for a presentation of the revised total project costs of \$71,184,821).

Sources and Uses of Lease Revenue Bond Proceeds - Initial Issuance

Sources Initial Lease Revenue Bond Proceeds	\$ 23,750,000
Uses	
Construction Fund	17,330,000
Capitalized Interest	3,579,143
Debt Service Reserve Fund	1,998,516
Underwriters Discount	237,500
Cost of Bond Issuance	350,000
Bond Insurance	233,665
Working Capital and Contingency	21,176
Total Uses	\$ 23,750,000
Total Debt Service - Initial Issuance	\$ 38,615,292
Average Debt Service Over 25 Years Including Capitalized Interest (estimated maximum interest rate of 6.15%)	\$ 1,544,612

The \$17.33 million amount shown in the table above for the Construction Fund will be augmented by unspent General Obligation Bond funds in the amount of \$2.1 million (previously appropriated for Fire Department Capital Projects) and pay-as-you go funding in the amount of approximately \$4.8 million from the collection of 911 Emergency Response Fee funds, for total construction costs of \$24,273,100.

As discussed in detail in Comment 1, the construction costs are a portion of the estimated total project costs of \$71,874,821.

Total sources and uses for the construction of the 911 Dispatch Center building are shown in the table on the following page.

911 Dispatch Center Building Construction Project

<u>Sources</u>	
Lease Revenue Bond Construction	\$ 17,330,000
Fund	
General Obligation Bonds	2,100,000
911 Fee - Pay as You Go	4,843,100
Total Sources	\$ 24,273,100
<u>Uses</u>	
Project Management	\$ 1,227,500
City Planning, Environmental	133,000
Programming Planning	112,500
Project Outreach/Art Enrichment	180,000
Temporary Basketball Courts	339,500
Design and Construction Documents	1,185,000
Permit Review	225,000
Building Construction	15,840,000
Construction Management,	
Architectural and Engineering	1,490,000
Services	1,420,000
Permanent Courts/Parking Expansion	2,641,600
Design and Construction	
Hazardous Materials Abatement	50,000
Furniture, Fixtures & Equipment	849,000
Total Uses	\$ 24,273,100

Item 23, File 101-96-41, for which a separate Budget Analyst report follows this report, is a proposed supplemental appropriation of bond proceeds totaling \$17,680,000 (the \$17,330,000 for the Bond Construction Fund shown above and \$350,000 in Bond Issuance costs shown in the table on the previous page.

As will be addressed in the Comment Section on the following pages, the total construction cost of \$24,273,100 shown above, which is the second revised cost estimate, is approximately \$5.1 million more than the \$19.2 million first revised construction cost estimate provided to the Budget Committee in February, 1996. Furthermore, the \$19.2 million estimate of February, 1996 was approximately \$6.0 million greater than the original construction cost estimate of \$13.2 million. Overall, the cost estimate has increased by nearly 84 percent, or \$11,073,100 (\$24,273,100 less \$13,200,000 since the original cost estimate was prepared).

Reasons provided by the Department of Public Works at the time of the <u>first</u> revision to the cost estimate from \$13.2 million to \$19.2 million were (1) inflationary increases in the

cost of construction; (2) expansion of the facility from the original plan of 28,000 square feet to 35,000 square feet; (3) errors in the original estimation of the cost of building the temporary and permanent basketball and volleyball courts; (4) various items related to seismic hardening of the building, provision of emergency generators and an uninterrupted power supply, that have been determined to be necessary following consultation with other jurisdictions that have recently completed construction of similar facilities; (5) the need for bullet proof glass in the facility; and (6) improvements to ventilation and the need for backup heating, ventilation and air conditioning systems and the necessity to construct a separate access for electric wiring and other mechanical systems.

The Department of Public Works project manager, Mr. Michael Quan, has stated that the first revised construction cost estimate of \$19.2 million did not anticipate increasing costs for steel and other materials, as evidenced by the recently received competitive bids for the project. Also, due to the large number of public works projects now being undertaken in the City, at the Airport, and in the Bay Area few bidders participated in the process for the 911 Dispatch Center building. Additional increased costs were caused by seismic strengthening of the foundation and the need for increased onsite inspection during construction to prevent cost overruns. These factors combined resulted in the present second revised construction cost estimate of \$24.3 million.

Comments:

1. The table on the following page shows that the current total project cost estimate for the 911 Dispatch Center is now \$71,184,822, or \$11,208,875 more that the February, 1996 total project cost estimate of \$59,975,947.

Included in the net increase of \$11,208,875 are additional interest costs of \$12,563,864 which would be incurred because the bond debt for the building construction will be amortized over a period of 25 years instead of the original plan of 10 to 13 years. According to Ms. Laura Wagner-Lockwood of the Department of Administrative Services Public Finance Division, the City Attorney's Office found that the shorter amortization period of 10 to 13 years resulted in annual lease payments to the San Francisco Finance Corporation that would have exceeded reasonable estimates of the fair market rent value for the building. Bond Counsel has advised that the City is prohibited from making lease payments in excess of fair market rental values. Therefore, in order to reduce the annual lease payments to a fair market rent value, it became necessary to amortize the debt over a

longer period of time. According to Ms. Wagner-Lockwood, current cash flow projections indicate that sufficient 911 Emergency Response Fee funds will be available to call the lease revenue bonds in the year 2008 if the City chooses to do so at that time, thus avoiding future interest expense.

Building construction increases of \$5,037,100 and interest expense increases of \$12,563,864 are partially offset by decreased projected expenditures for various communications, hardware and software items. (See Comment 2).

Revised Total Project Costs - 911 Emergency Dispatch Center

	February, 1996	Current	Increase
	<u>Estimates</u>	<u>Estimates</u>	(Decrease)
D 111 C 4 4	# 10 22 C 000	£ 24 272 100	e 5 027 100
Building Construction.	\$ 19,236,000	\$ 24,273,100	\$ 5,037,100
Community Mitigation Costs	2,031,000	2,031,000	(50,000)
Wire Communications	682,825	612,825	(70,000)
Telecommunications	1,925,973	1,364,749	(561,224)
Telephone Conversions	280,000	280,000	-
Data Communications	1,434,300	1,434,300	-
Mobile Computing Terminals	5,458,744	3,600,000	(1,858,744)
Other Radio Communications	1,083,000	1,133,000	50,000
CAD Hardware	2,500,000	2,000,000	(500,000)
CAD Software	2,500,000	2,500,000	-
AIS Hardware	6,500,000	5,200,000	(1,300,000)
AIS Software	5,000,000	5,000,000	-
Project Management - CA's Office	4,544,105	4,210,000	(334,105)
Upfront Bond Financing Costs	6,800,000	4,981,984	(1,818,016)
Subtotal	\$ 59,975,947	\$ 58,620,958	\$ (1,354,989)
Additional Interest Costs	-	12,563,863	12,563,863
Total Project Costs (1)	\$ 59,975,947	\$ 71,184,821	\$ 11,208,874
Total Project Costs (1)	Ψ 52,275,247	Ψ /1,101,021	Ψ 11,200,07 ·
Less - General Obligation Bonds	\$ (2,100,000)	\$ (2,100,000)	
Less - 911 Fee Collections (2)	(47,514,857)	(54,119,691)	(6,604,834)
Less - 911 Fee Collections (2) Less - 911 Fee Collections Interest		(4,700,000)	(2,200,000)
	(2,500,000)	(4,700,000)	(2,200,000)
Earnings Net General Fund Cost	\$ 7,861,090	\$ 10,265,130	\$ 2,404,040
Net General Fund Cost	\$ 7,001,090	\$ 10,203,130	\$ 2,404,040
Additional Net Debt Service Costs not	1,957,421		(1,957,421)
Included in February Estimate	1,737,421		11,007,4211
included in reoldary Estimate			
Net General Fund Cost Including	\$ 9,818,511	\$ 10,265,130	\$ 446,619
Additional Costs not Reported in	Ψ 2,010,211	Ψ 10,203,130	\$ 110,017
February Estimate (3)			
(5)			

Notes to table on previous page

- (1) February Estimate includes \$2,031,000 in Community Mitigation Costs and Current Estimate includes \$2,031,000 in Community Mitigation Costs and \$2,000,000 in AIS Software costs that are not eligible for funding from the 911 Emergency Response Fcc. The Department of Administrative Services hopes to identify alternative, non-General Fund dollars for the Community Mitigation Costs. If the Community Mitigation Costs are paid from some other source, the Current Estimate of Net General Fund Cost would decrease from \$10,265,130 to \$8,234,130.
- (2) Current Estimate for 911 Emergency Response Fee Collections of \$54,119,691 assumes that the proposed ordinance increasing the cap on such revenues from \$49.0 million to \$60 million will be approved. If the proposed ordinance is not approved, the increased General Fund cost will amount to an estimated \$6.0 million, (\$54,119,691 in Current Estimate Fee Collections less the \$49 million cap in the existing ordinance plus interest earnings that would not be realized on the \$5,4119,691 difference).
- (3) General Fund Costs would be incurred over a period of four years.
 - 2. According to Debra Vincent-James of the Department of Administrative Services, reductions in Telecommunications costs in the amount of \$561,224 are projected based on the potential receipt of pending grant funds. Also, Police Department grant funds have been received for the purchase of Mobile Computing Terminals (MCTs) that results in a savings of \$1,858,744. Lastly, use of the new interim Computer Aided Dispatch and Automated Information System in the new 911 Dispatch Center will save approximately \$500,000 and \$1,300,000 respectively. Therefore, the same technical capabilities originally envisioned for the 911 Dispatch Center will be achieved using alternative funding sources, according to Ms. Vincent-James. The use of such alternative funding sources would be permitted under the proposed amendment to the 911 Emergency Response Fee ordinance.
 - 3. As stated in the notes above, without the proposed increase in the 911 Emergency Response Fee cap amount, General Fund costs would increase by an estimated \$6.0 million. However, the proposed ordinance would increase the 911 Emergency Response Fee cap by \$11 million (from \$49 million to \$60 million) or approximately \$6.0 million more than is expected to be needed using current cost estimates. According to Ms. Vincent-James, the additional potential fee collections would provide flexibility to offset any additional unforeseen costs that may become necessary during construction of the project or in the procurement and installation of communications hardware and software.

- 4. Currently, the City collects approximately \$4.2 million annually in 911 Emergency Response Fee revenue (approximately \$350,000 per month). Based on this rate of collection, the 911 Emergency Response Fee would be extended for approximately an additional 31 months if the proposed maximum amount of \$60.0 million is collected instead of the existing maximum amount of \$49.0 million.
- 5. Members of the Finance Committee expressed concern and raised questions about a number of issues concerning the 911 Dispatch Center Project at its meeting of February 5, 1997. These issues and questions will be addressed by project staff and provided directly to the Members of the Committee according to Ms. Vincent-James. Ms Vincent-James will be providing the Committee with information on other jurisdictions that operate with multiple CAD systems and options for the Committee's consideration for combining the current interim CAD systems for the Police Department and the Fire Department, as well as further information on historical problems with the project, participation by African American contractors in the project and community mitigation measures.

Recommendation:

The two proposed ordinances are policy matters for the Board of Supervisors.

Item 23 - File 101-96-41

Note: This item was continued by the Budget Committee at its meeting of

February 5, 1997.

Departments: Department of Telecommunications

Public Works (DPW)

Item: Supplemental appropriation ordinance of lease revenue

bond proceeds for the construction of a Combined Emergency Communications Center, and to provide the Department of Administrative Services, City Attorney and

Controller with bond issuance costs.

Amount: \$17,680,000

Source of Funds: Lease revenue bonds to be issued by the San Francisco

Finance Corporation. Item 12, File 170-96-10 is the proposed ordinance which would authorize the issuance of lease revenue bonds for the construction of the Consolidated Emergency Communications Center (CECC)

Description: The proposed supplemental appropriation will provide

construction funds for a two floor office building of 34,000 square feet built above a partially submerged underground parking structure. Two related measures before the Finance Committee (Items 21 and 22, Files 170-96-10 and 127-97-1 respectively) would authorize the issuance of the subject lease revenue bonds and provide for an increase in the maximum 911 Emergency Response Fees that can be collected for the project. The proposed supplemental appropriation would provide funding for the construction contract, construction management services, architectural, engineering and public outreach services

and bond issuance costs as follows:

Construction Contract

S. J. Amoroso Inc. - TSM (A Joint Venture and the low

Bidder on the Contract) \$14,400,000 Project Contingency @ 10% 1,440,000

Subtotal \$15,840,000

Construction M	anage	ment		
	No. of	Hourly		
	Hours	Rate	Amount	Subtotal
In-House				
DPW				
Construction Manager	2,184	\$97.00	\$212,000	
Field Inspector	2,400	\$68.00	163,000	
Total				\$375,000
DPW Bureau of Const	truction			
Management Testing	g Lab.			68,000
Consultants				
The Allan Group/Corr	erstone			
Resident Engineer	3,136	\$65.48	\$205,347	
Office Engineer	3,136	\$44.91	140,844	
Admin/Secretary	2,880	32.73	94,264	
Sub Consultants				
NBA Assoc. (WBE)	410	\$88.95	36,470	
FW Assoc. (MBE)	450	\$103.11	46,399	
WJR Assoc. (MBE)	544	\$79.42	43,204	
URS Consultants	48	\$148.27	7,117	
Sub Consultants Ma	arkup		6,054	
	•		,	
Contingency			20,301	
Total				600,000

Testing Engineers, Inc.
Materials Testing Services 69,000

Subtotal Construction Management

\$1,112,000

Environmental Monitoring:

	NT C	II		
	No. of	Hourly		0.14.4.1
	Hours	Rate	Amount	Subtotal
In-House				
<u>DPW</u>				
Division Manager	25	\$76.00	\$1,900	
Project Manager	490	\$64.00	31,360	
Project Manager	50	\$61.00	3,050	
Accountant	25	\$43.00	1,075	
Total				\$37,385
Consultants				
Tetra-Tech Inc. (L.	BE)			
Project Manager	14	\$95.00	\$1,330	
Senior Engineer	26	\$90.00	2,340	
Staff Engineer	80	\$75.00	6,000	
Technician	180	\$45.00	8,100	
Accounting	7	\$40.00	280	
Clerical	3	\$38.00	114	
Office			204	
Word Processing			203	
Field Supplies			<u>209</u>	
Total				18,780

	No. of Hours	Hourly Rate	Amount	Subtotal
SCA Environmenta (MBF/LBE) Certified Industrial Hygienist Environmental Tec Equipment Rental	50	\$95.00 \$55.00	\$4,750 15,950 4,345	
Sample Analysis Total			3,195	\$28,240
Wilson, Ihrig & As Principal	1	\$150.00	\$150	
Sr. Consultant Associate Assistant	5 39 84	\$120.00 \$110.00 \$95.00	600 4,290 7,980	
Technician Secretary	85 35	\$75.00 \$60.00	6,375 2,100	
Total Bluewater, Inc.				21,495
Asbestos Abatemen	t			1,350
Contingency Subtotal Env	ironmo	ntol Mo	nitorina	10,750
Subwai Env.	ii oiiiile	11641 1410	morning	

Architecture, Engineering & Public Outreach

\$118,000

	No. of	Hourly		
	Hours		Amount	Subtotal
In-House				
Human Rights Comm				
1314 Public Affairs	680	\$51.00	\$35,000	\$35,000
DPW Bureau of				
Architecture:				
Principal Engineer	250	\$97.00	\$24,250	
Architect	500	\$87.00	43,500	
Architectural Assoc. II	1,000	\$70.00	70,000	
Total				\$137,500
Consultants:				
Heller-Manus				
Principal	40	\$105.00	\$4,200	
Architect	310	\$85.00		
Drafter	40	\$70.00	2,800	
Total				33,350
Finger & Moy (MBE)				
Principal	30	\$120.00		
Architect	190	\$85.00		
Drafter	30	\$58.00	1,748	
Total			•	21,498

	No. of Hours	Hourly Rate	Amount S	Subtotal	
Levy Design Partners (LE	E)				
Principal	6	\$105.00	\$630		
Architect	52	\$85.00	4,420		
Job Captain	68	\$65.00	4,420		
Drafter	4	\$58.00	232		
Total				9,702	
Forell/Elsesser					
Principal	30	\$115.00	\$3,450		
Engineer	240	\$75.00	18,000		
Drafter	30	\$50.00	1,500		
Total				22,950	
Subtotal Architectu		ngineei	ing		
and Public Outrea	ch				\$260,000
Subtotal					\$17,330,000
Bond Issuance Co	osts (S	See At	tachme	nt	
Financial Advisor	Fees		\$65	.000	
Bond Counsel Fee	S			,000	
Corporate Counse	ī			,000	
City Administrato				,000	
Controller				,000	
City Attorney				,000	
Rating Agency Fe	es			,000	
Printing Fees				,000	
Trustee Fees				,000	
Title Insurance				,000	
Subtotal			<u>50</u>	,000	350,000
Dubtotal					330,000
Total Project Cos	t				\$17,680,000

Comments:

1. The low construction bid of \$14,400,000 was \$2,208,734 or 18.1 percent higher than the engineers' estimate of \$12,191,299. Two higher bids were received in the amount of \$14,448,464 from Barnes/LTM, a Joint Venture and \$14,498,000 from A. Answer, Inc., Marinship, Dennis J. Amoroso Joint Venture. According to Mr. Paul Travis of the Bureau of Architecture the bids may have been higher than the engineers' estimate of \$12.2 million for the 911 Dispatch Center building because of (1) inflationary increases in the cost of concrete, steel and wood for formwork; (2) the need to install bullet proof glass in the facility; and (3) the current bidding pool is limited due to the numerous construction projects ongoing

in the Bay Area (Opera House, City Hall, San Francisco International Airport, Caltrans and BART).

2. The joint venture of S. J. Amoroso, Inc.-TSM has been certified by the Human Rights Commission (HRC) as having met the project goal and set-aside requirements (minimum of 35% MBE ownership participation) under the bid solicitation and therefore considered eligible for approval of the contract award. TSM is an MBE firm. In addition to meeting the set-aside requirements for MBE ownership participation, the bid solicitation included minimum subcontract goals which S. J. Amoroso, Inc.-TSM has committed to meet as follows:

15% Local African American Minority Business Enterprise (MBE)

7.7 % other Local Minority Business Enterprise (MBE), and

6.3 % Local Women Business Enterprise (WBE) 29% Total MBE/WBE Subcontract Participation

3. Mr. Travis reports that a competitive Request For Proposal (RFP) or Request For Qualifications (RFQ) process was used to select each of the professional services consultants listed above. Mr. Travis advises that the MBE firm of SCA Environmental would receive \$28,240, or approximately 40 percent of the \$69,865 budgeted for environmental monitoring consultants.

The MBE firm of Finger & Moy would receive \$21,498, or approximately 25 percent of the \$87,500 budgeted for architecture, engineering and public outreach consulting services.

The WBE firm of Levy Design Partners would receive \$9,702, or approximately 11 percent of the \$87,500 budgeted for architecture, engineering and public outreach consulting services.

- 4. The proposed supplemental appropriation would also provide funding for bond issuance costs. The details of the proposed bond issuance costs are included as an attachment to this report.
- 5. Since the lease revenue bonds, which would be appropriated in this supplemental appropriation request, have not yet been issued, the proposed ordinance would place the funding on reserve pending receipt of the bond proceeds.

Recommendation:

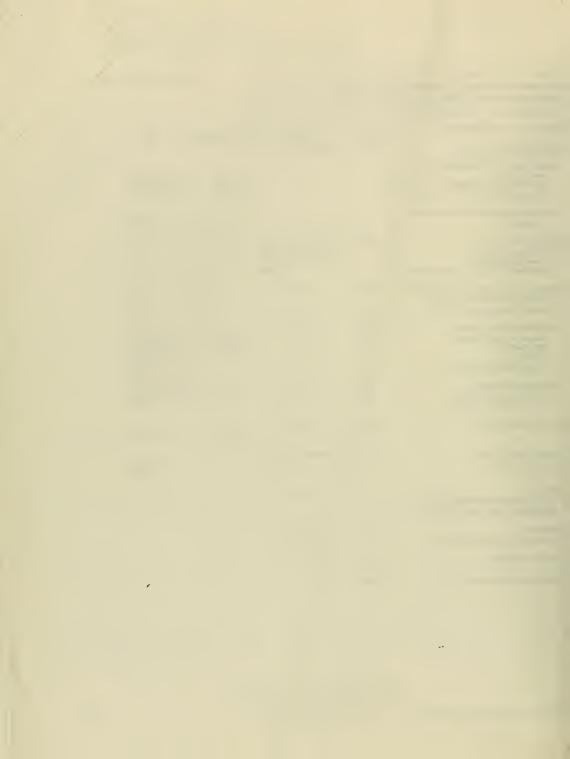
Because the proposed supplemental appropriation of lease revenue bond funds is contingent on approval of Item 21, File 170-96-10, which would authorize the lease revenue bond issuance, this proposed supplemental appropriation is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Katz
Supervisor Medina
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Steve Agostini
Stephen Kawa
Ted Lakey

911 Combined Emergency Communications Center Lease Revenue Bond - Cost of Issuance

Estimated Costs of Issuance							
	_	stimato	Foo Bosis	Ho	urly Rate	# of Hours	Total
FINANCIAL ADVISOR FEE8 CO FINANCIAL ADVISORS Public Financial Management (PFM)	\$	65,000	Maximum Fee Amount				
Managing Director				s	170.00	50	\$ 8,500
Senior Managing Consultant				S	170.00		\$ 34,000
Managing Consultant				\$	150.00	120	\$ 18,000
Liberty Public Financial Advisors (WBE) Principal				\$	50,00	90	\$ 4,500
BOND COUNSEL FEES	\$	70,000	Flat Fee Contingent				
CO BOND COUNSELS		•	Upon Issurance of Bonds	5			
O'Melveny & Meyers, LLP			45,500				
Lew Offices of Pamela S. Jue (MBEWBE)			24,500)			
CORPORATE COUNSEL-FINANCE CORP Lofton, De Lancie & Nelson (MBE)	\$	15,000	Flat Fee				
(General Counsel to the Finance Corp)							
CITY ADMIN. (Public Finance)	\$	50,000	Hourly Costs				•
Director of Public Finance				\$			\$ 27,000
Debt Analyst				\$			\$ 13,500
Assistant				\$	20.00	170	\$ 3,400
Other Related Office Expenses							\$ 6,100
CONTROLLER ADMIN.	\$.	15,000	Hourly Cost				
Budget & Operations Mgr				\$	60.00	166.67	\$ 10,000
CAFR Printing Costs for OS							\$ 5,000
CITY ATTORNEY FEES	\$	30,000	Hourly Cost				
				\$	125.00	240	\$ 30,000
RATING AGENCY FEES	\$	50,000	Estimated Flat Fee				
Standard & Poors							\$ 25,000
Moodys							\$ 25,000
PRINTING	\$	15,000	Estimated Flat Fee				
Printing of Preliminary Official Statement and Official Statements (POS/OS)					*		
TRUSTEE	S	10,000	Estimated Fee				
Chamical Trust Company/CHASE		,					
TITLE INSURANCE	\$	30,000	Estimated Fee				
TOTAL A44 GOOT OF INCULANCE							
TOTAL 911 COST OF ISSUANCE	\$	350,000					



MARKED CALENDAR

FINANCE COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, FEBRUARY 19, 1997 - 1:00 P.M.

VETERANS BUILDING 401 VAN NESS AVENUE ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1.

All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

CONSENT CALENDAR

- a. <u>File 27-97-1</u>. [Biological Opinion Cooperative Agreement, SFIA] Resolution approving the Biological Opinion Cooperative Agreement between the Airport, the California Department of Transportation, and the Federal Highway Administration. (Airports Commission)
- b. <u>File 89-97-1</u>. [SDI Coverage, Classification 1683] Resolution authorizing enrollment of classification(s) 1683 Budget and Fiscal Operations Manager in the State Disability Insurance Program. (Department of Human Resources)

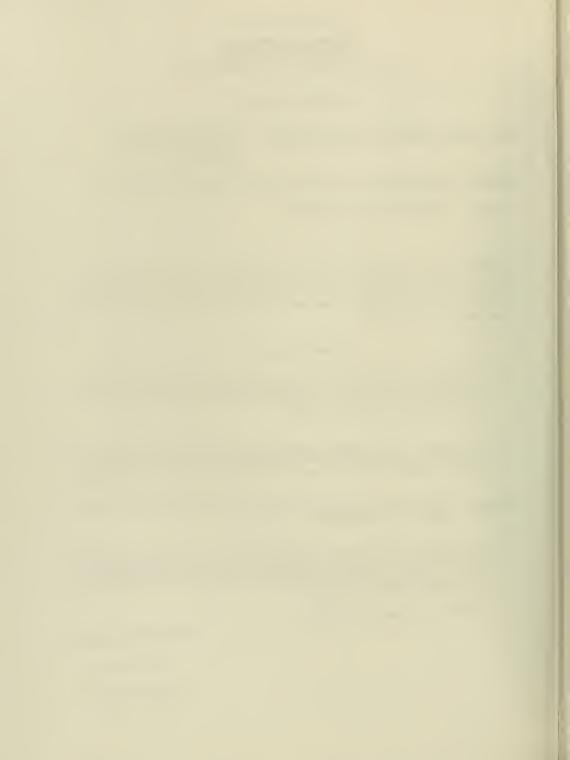
ACTION: Items 1c and 1d removed from Consent Calendar; remainder of Consent Calendar RECOMMENDED.

c. <u>File 172-97-2.</u> [Hold Harmless Agreement] Resolution authorizing the Chief of Police to execute a hold harmless agreement with the State of California concerning the conduction of investigative training by the San Francisco Police Department. (Police Commission)

ACTION: Hearing held. TABLED.

DOCUMENTS DEPT

SEP 1 1 2000 SAN FRANCISCO PUBLIC LIBRARY



d. File 93-96-14.1. Limendment to MOU, Local 261] Ording the memorandum of Understanding between the Laborers International Union of North America, Local 261 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997. (Department of Human Resources)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. (See File for details) City Attorney forwarding amended legislation 2/20/97.

REGULAR CALENDAR

2. <u>File 101-96-33</u>. [Appropriation, Recreation and Park Department] Ordinance appropriating \$100,000, Recreation and Park Department, from a General Fund Reserve, for an integrated pesticide plan for training, materials and supplies, equipment and services of other department for fiscal year 1996-97. (Supervisor Leal) RO #96180

ACTION: Hearing held. RECOMMENDED.

File 101-96-45. [Appropriation, Recreation and Park Department] Ordinance appropriating \$315,250, Recreation and Park Department, of Recreation and Park Revenue for contractual services at the park to reimburse the San Francisco Giants for the installation of the "Out of Town scoreboard at 3COM Park and Candlestick Point for fiscal year 1996-97. RO #96177. (Controller)

ACTION: Hearing held. RECOMMENDED.

4. <u>File 64-97-1</u>. [Lease of Property at 899 Bryant Street] Resolution authorizing a lease of real property at 899 Bryant Street, San Francisco, for the Department of Parking and Traffic Enforcement Division. (Real Estate Department)

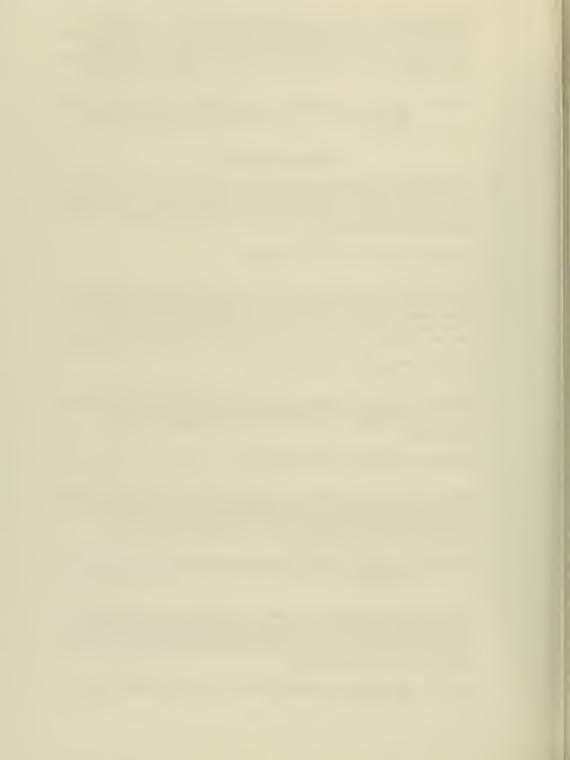
ACTION: Hearing held. RECOMMENDED.

5. <u>File 93-97-3</u>. [MOU, MEA Police, Bargaining Unit P3] Ordinance implementing the provisions of a Memorandum of Understanding between the Municipal Executives Association and the City and County of San Francisco for Bargaining Unit P3 to be effective July 1, 1992 through June 30, 2001. (Department of Human Resources)

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

6. File 93-97-4. [MOU, MEA Airport Police, Bargaining Unit XP3] Ordinance implementing the provisions of a Memorandum of Understanding between the Municipal Executives Association and the City and County of San Francisco for Bargaining Unit XP3 to be effective July 1, 1992 through June 30, 1997. (Department of Human Resources)

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.



Attn: Kate Wingerson

90.25

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

February 14, 1997

TO:

& Finance Committee

FROM:

Budget Analyst Re need that the need yet

DOCUMENTS DEPT.

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SAN FRANCISCO PUBLIC L'BRARY

Item 1a - File 27-97-1

Department:

Airport Commission

SUBJECT: February 19, 1997 Finance Committee Meeting

Item:

Resolution approving the Biological Opinion Cooperative Agreement between the Airport, the California Department of Transportation (Caltrans), and the Federal Highway Administration (FHWA).

Description:

The Ramps Project, a part of the Airport's Master Plan, is to construct modifications to various U.S. Highway 101 ramps and interchanges in order to provide access to the Airport's new International Terminal and to accommodate future increases in passenger volume. The boundaries of the Ramps Project extend from the I-380 San Bruno Interchange to the Millbrae Avenue Interchange, as shown in Attachment I to this report, and include the CalTrans' U.S. Highway 101 right-of-way, the Airport property adjacent to the Highway 101 right-of-way, and the San Francisco International Airport terminal interchange.

A summary of the Ramps Project components, which have an estimated cost of \$114 million, according to Mr. Tom Kardos of the Airport, and are to be funded with Airport revenue bond funds, is as follows:

San Bruno Avenue Interchange: Modifications of the San Bruno Avenue /Highway 101 interchange, including modifications and extension of the northbound entrance ramp from San Bruno Avenue to Highway 101 through the Highway 101/Interstate 380 (I-380) interchange.

San Bruno to SFIA: Enhancement of the Highway 101 southbound ramp.

SFIA Terminal Interchange: Modification of both northbound and southbound ramps to and from the terminal and demolition of the existing Hilton Hotel located southeast of the SFIA interchange.

Millbrae Avenue to SFIA: Enhancement of Highway 101 northbound ramp.

The Board of Supervisors recently approved a Right-of-Way Cooperative Agreement between the Airport Commission and CalTrans (File 27-96-15) to transfer the ownership of property and easement rights involved in the Ramps Project in order to divide ownership of new and existing structures and ramps at points mutually beneficial to the Airport and to CalTrans for future maintenance and operations.

In addition to the Ramps Project, the Airport is planning maintenance activities and further construction, including expansion of an existing electrical substation, construction of a 24-inch water main, and fire and flood control maintenance activities, on City property west of Highway 101 in an area referred to as the West-of-Bayshore parcels (See Attachment II).

As part of its review of the Airport's Ramps Project (Project), the Federal Highway Administration (FHWA) consulted with the U.S. Fish and Wildlife Service (USFWS) regarding impacts of the Project on endangered and threatened species on the adjacent West-of-Bayshore property. As a result of that consultation, USFWS is requiring the FHWA and Caltrans to impose certain mitigation measures on the Airport to reduce potential impacts to these species. Under this proposed Biological Opinion Cooperative Agreement between the Airport, Caltrans, and the FHWA, the Airport would guarantee to Caltrans and the FHWA that the following mitigation measures will be implemented:

The mitigation measures specify the actions necessary to reduce the impact of the Project on the San Francisco garter snake and the California red-legged frog. For example, USFWS details how to optimally protect the natural habitats through the installation and maintenance of a fence, provides specific instructions as to the handling of any endangered snakes or frogs within the construction zone, restricts construction traffic flow routes and speeds, and requires both written and photographic records of the construction work performed on any component of the Project located on the West-of-Bayshore parcel. The mitigation measures also specify that the Airport will compensate for any loss of habitat by creating or preserving off-site wetlands, the location of which are to be specified in the Resources Management Program to be submitted by the Airport to USFWS in April, 1997.

In addition to satisfying the mitigation measures, under this proposed agreement, the Airport agrees to:

 Provide monitoring reports which details the extent of City compliance with the mitigation measures:

 Make personnel and/or consultants available to provide the State with any necessary assistance in order for the State to fulfill its monitoring obligations;

 Work cooperatively and in good faith to resolve any disputes regarding the mitigation requirements;

 Assume all court costs and attorney fees in the event the FHWA and/or the State are forced to take legal action to enforce the obligations of this Agreement;

 Obtain State encroachment permits (at no cost to the City) prior to performing any work related to the Project;

 Allow State, FHWA, and USFWS environmental personnel complete access to the West-of Bayshore parcels;

 Encumber \$547,000 of Airport Revenue Bonds for financing mitigation activities during the first five years of the Project, and encumber an additional amount of \$35,000 every year beginning in January of 1998 and continuing through June of 2005 or a total of 7 1/2 years;

 Submit a draft Resources Management Program (a conservation program) to USFWS by April 1, 1997, and

seek its review and approval by June 30, 1997;

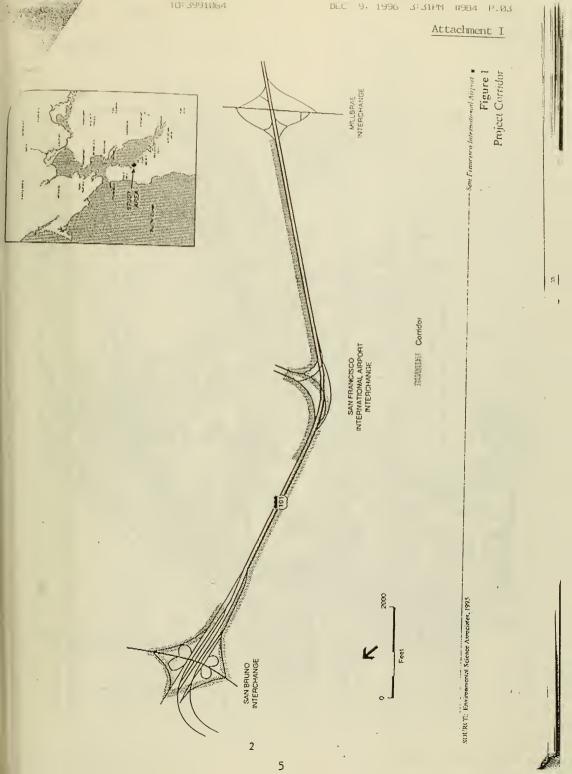
 Provide conservation easements for mitigation acreage by June 30, 1997 (Mr. Lyn Calerdine, of the Airport Commission, reports that the conservation easement for mitigation acreage is expected to be less than 5 acres, in a location to be specified in the draft Resources Management Program in April 1997.); and

> Assume maintenance and liability responsibility for all materials and equipment.

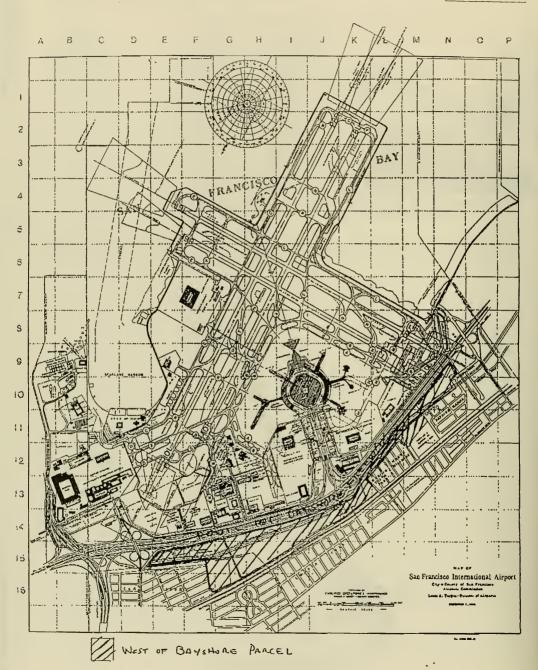
Comments:

- 1. According to Mr. Lyn Calerdine of the Airport, the encumbrance in the amount of \$547,000 during the first 5 years of the Agreement, and the additional annual amount of \$35,000 each year for 7 1/2 years in Airport Revenue Bonds required by this Agreement were included as a part of the cost of the Airport's \$2.4 billion Master Plan, approved by the Board of Supervisors in December of 1992 (File 101-92-11).
- 2. Attachment III, provided by the Airport, lists each of the mitigation measures specified above together with the estimated cost to the Airport for each of these measures. The total estimated cost to the Airport for such measures is \$809,500 (\$547,000 in the first 5 years plus \$35,000 for 7 1/2 vears).

Recommendations: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Attachment II



Estimated Annual Costs of Section 7 Mitigation Measures and Reasonable and Prudent Measures Attachment III

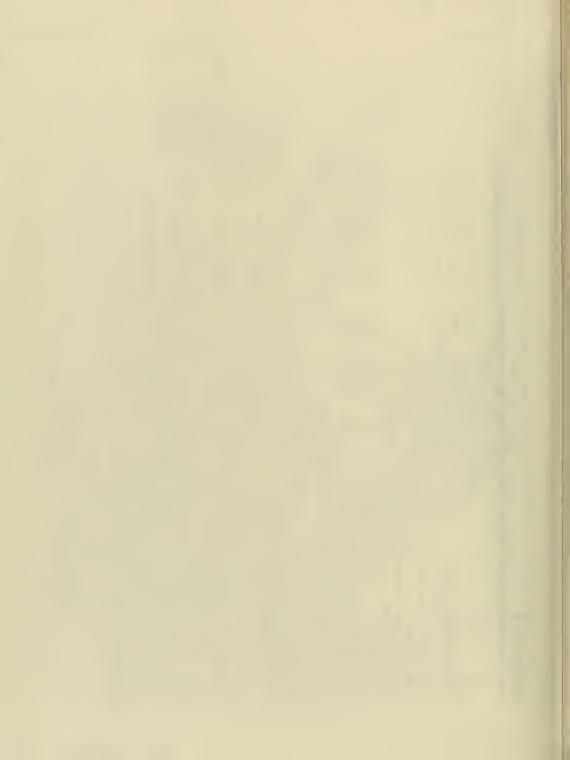
	Notes	Calendar Year	<u></u>					
Activity	,	1997	1998	1939	2000	2001 ->	Total	
1. Ramps Construction Activities	(1)							
1a. Ramps Construction Monitoring		20,000	75,000	75,000	35,000			
2. Utility Construction Activities		25,000	25,000					
3. Closure of Inlets	Completed							
4. Dedication of Mitigation Acreage	(2)	2,500						
5. Development of RMP	-	50,000						
6. Implement RMP	(3)		20,000	20,000	20,000	20,000		
7. Construction Measures - Maintenance		2,000	5,000	5,000	2,000	5,000		
8. Bull Frog Abatement and Reports	(4)	10,000	10,000	10,000	10,000	10,000		
9. USFWS Access to Site	No Cost							
10. Release of Snakes and Frogs	No Cost							
11. Aerial Photograph		1,000						
12. Mitigation Ponds	(5)			٠				
13. Offsite Mitigation Areas	(2)							
14. Cupid Row / South Lomita Canal Hydrology	93	20,000						
15. Translocated Snakes Reporting		1,000	1,000	200	200	200		
Total Annual Cost (Excluding Ramps Construction Activities)		194,500	136,000	110,500	70,500	35,500	35,500 \$547,000	, ··

onstruction Activities)		1. Ramps Project Construction Activities are under the complete permit control of Caltrans and FHWA; Therefore	no additional monetary performance is required. Estimated cost is \$65,000/year for four years.	2. Cost shown is for cost to establish conservation easement. As SFIA already owns land, there is no cash required.
(Excluding Ramps Construction Activities)	Notes:	1. Ramps Project Construction Activities are un	no additional monetary performance is requi	2. Cost shown is for cost to establish conserva

Note: Per Corment No. 2, an additional \$35,000 per year for 7.5 years, or \$262,000 results in total estimated mitigation financing of \$809,500.

^{3.} This cost cannot be determined until RMP is prepared. Order of magnitude estimate is provided.

This cost will be shared with BART (if BART proceeds). Work is currently done on a volunteer basis.
 These are alternative mitigation strategies (off-site) that SFIA is not proposing to utilize.



Item 1b - File 89-97-1

Department: Department of Human Resources

Item: Resolution authorizing enrollment of Classification 1683, Budget and Fiscal Operations Manager, in the State

Disability Insurance Program.

Description:

The proposed resolution would authorize enrollment of Classification 1683, Budget and Fiscal Operations Manger, in the State Disability and Insurance Program (SDI). The cost of the SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's

deduction.

SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 0.5 percent of the first \$31,767 of gross salary for each employee, with a maximum of \$158.84 annually. While SDI coverage is mandatory for all employees with bargaining units enrolled in the SDI program, the Municipal Executive Administrators (MEA), the bargaining unit of which this classification is a member, does not have a provision in its contract to provide for the automatic inclusion of its members in SDI. Therefore, the Board of Supervisors must take action in order for this classification to be included in the SDI program.

payroll/personnel system is programmed to include this

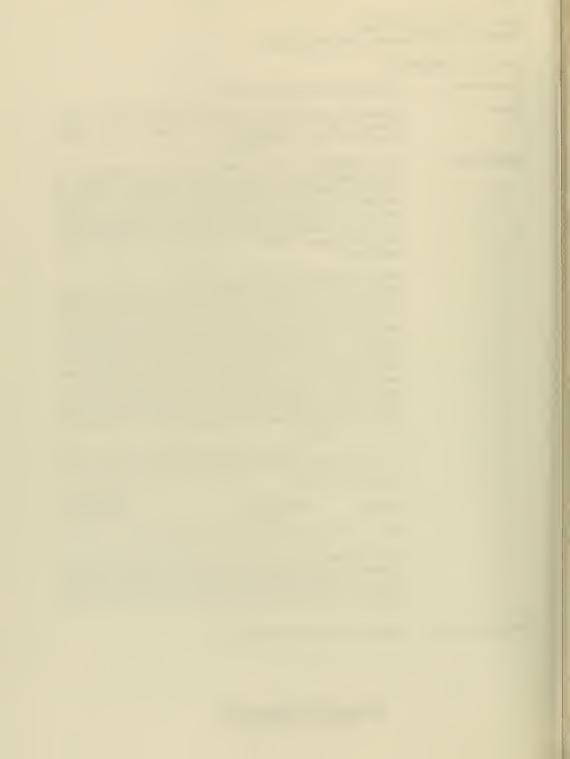
The following classification, in the Controller's Office, would be authorized to enroll in the SDI program under the proposed resolution:

Position Classification Number of Employees

1683 Budget and Fiscal Operations Manager 1

The Employee Relations Division of the Human Resources Department reports that it has received a petition requesting SDI coverage signed by the only employee who occupies the position of Classification 1683, Budget and Fiscal Operations Manager.

Recommendation: Approve the proposed resolution.



Item 1c - File 172-97-2

Department: Police Commission

San Francisco Police Department

Item: Resolution authorizing the Chief of Police to execute a hold

harmless provision in an agreement with the State of California concerning investigative training conducted by the

San Francisco Police Department for the State.

Description: The State of California, through its Commission on Peace

Officer Standards and Training (POST), wishes to enter into an agreement with the San Francisco Police Department to provide one training presentation to California law enforcement personnel at the State's Institute of Criminal Investigation. The San Francisco Police Department will be paid \$9,980 for the presentation, \$2,030 of which would be used to pay for instructors and \$7,950 of which would pay for

equipment, materials, and a meeting facility.

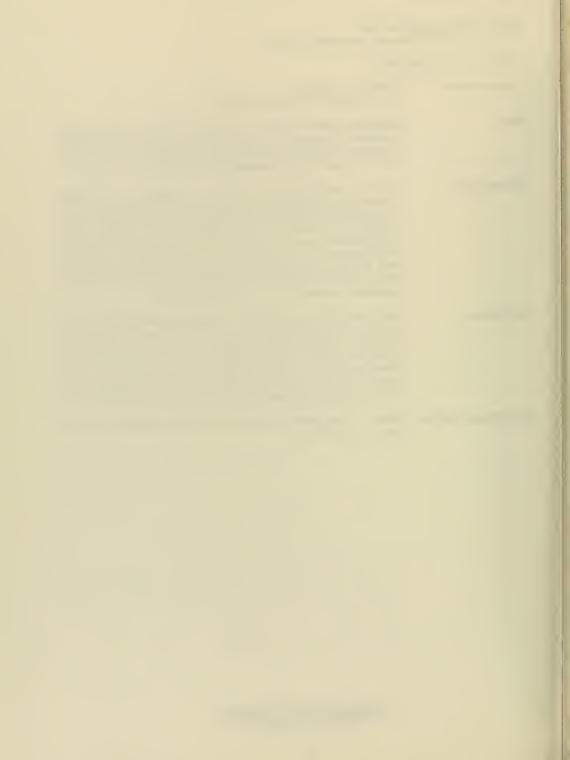
Comment: The State had required that a hold harmless provision be

contained in this agreement, therefore making the agreement subject to approval of the Board of Supervisors. However, according to Ms. Linda Ross of the City Attorney's Office, the State has withdrawn its requirement for a hold harmless provision in the agreement between the City and the State

and, therefore, the proposed resolution should be tabled.

Recommendation: Based on the advice of the City Attorney's Office, table the

proposed resolution.



Item 1d - File 93-96-14,1

Department:

Department of Human Resources

Item:

Ordinance amending Ordinance No. 172-96 to correct clerical errors and omissions to the provisions of the Memorandum of Understanding (MOU) between the Laborers International Union of North America, Local 261 and the City and County of San Francisco for the period July 1, 1996 through June 30, 1997.

Description:

The proposed ordinance would amend a previously approved ordinance (File 93-96-14) approving the FY 1996-97 MOU between the City and Local 261 of the Laborers International Union of North America for the period July 1, 1996 through June 30, 1997. The proposed ordinance would correct "clerical errors and omissions in the MOU." Specifically, the proposed ordinance would amend Paragraph 115 of the previously approved MOU, concerning the night shift differential payable to members of Local 261. The 'night shift differential' refers to a wage augmentation offered by the City (under applicable MOU provisions) to employees who work between the hours of 6:00 p.m. and 7:00 a.m.

According to Ms. Janet Bosnich of the Employee Relations Division (ERD) of the Department of Human Resources, the clerical error which is proposed to be corrected consists of the deletion of certain language from the current FY 1996-97 MOU with Local 261, which would have authorized the night shift differential pay to be calculated as a percentage of salary, rather than as a flat rate. The proposed ordinance is intended to restore the previously existing option for the night shift differential to be calculated on a percentage of salary basis, rather than as a flat rate, which was the intent of the previously approved FY 1996-97 MOU, according to Ms. Bosnich.

Paragraph 115 from the previously approved FY 1995-96 MOU contains the following provision concerning the night shift differential for Local 261:

Permanent full time employees who work between the hours of 6:00 p.m. and 7:00 a.m. shall receive a night shift premium of \$1.10 for each eligible hour worked. This premium shall not be paid to those employees participating in an authorized flex-time program and who voluntarily work during the period of 6:00 p.m. to 7:00 a.m. Effective July 1, 1991, the shift premium shall increase to \$1.15 per eligible

hour worked. If a majority of City employees covered by Charter Section 8.407 are not off of [a] percentage rate by July 1, 1992 (sic), then this differential will revert to a percentage basis of at least 6.25 percent as of that date.

As noted above, the FY 1995-96 MOU (which expired June 30, 1996) provided for the night shift differential pay to be calculated as a percentage of salary, if a majority of all City employees who were covered by the old Charter Section 8.407 (as of July 1, 1992) were also being paid on a percentage of salary basis as of July 1, 1992. According to Ms. Bosnich, this provision (permitting a change to a percentage of salary basis for Local 261) was (1) never actually tested as of July 1, 1992, to determine whether or not a majority of employees were or were not being paid the night shift differential on a percentage of salary basis, and (2) was inadvertently omitted in the FY 1996-97 MOU when the FY 1995-96 MOU with Local 261 was updated for FY 1996-97.

Ms. Bosnich indicates that she has now surveyed the employee organizations which were covered by Charter Section 8.407, and has determined that a majority of employees who were covered by this section on July 1, 1992 were in fact still being paid on a percentage of salary basis as of July 1, 1992. Given this finding, Ms. Bosnich indicates that it is the purpose of the proposed ordinance to (1) restore the MOU provision which would allow Local 261 to change from a flat rate payment for the night shift differential pay to a rate based on percentage of salary; and (2) amend the existing FY 1996-97 MOU with Local 261 to reflect that a percentage basis, and not a flat rate, would apply to the night shift differential for Local 261 members, effective July 1, 1992.

Paragraph 115 of the current FY 1996-97 MOU with Local 261 provides as follows:

Permanent full time employees who work between the hours of 6:00 p.m. and 7:00 a.m. shall receive a night shift premium of \$1.15 per hour for each eligible hour worked. This premium shall not be paid to those employees participating in an authorized flex-time program and who voluntarily work during the period 6:00 p.m. to 7:00 a.m.

The proposed ordinance would amend Paragraph 115 of the MOU with Local 21 to read as follows:

Permanent full time employees who work between the hours of 6:00 p.m. and 7:00 a.m. shall receive a night shift premium of 6.25 percent for each hour of work. This premium shall not be paid to those employees participating in an authorized flex-time program and who voluntarily work between the hours of 6:00 p.m. and 7:00 a.m.

Under the proposed ordinance, all of the existing language of Paragraph 115 of the 1996-97 MOU would be deleted and replaced by the proposed amended Paragraph 115 shown above, which is considered to be a clerical amendment, according to Ms. Bosnich, who received advice to that effect from the City Attorney's Office.

Comments:

1. According to Mr. John Madden, Chief Assistant Controller, the fiscal impact of the proposed ordinance is negligible, because (1) most of the affected employees in Local 261 are in Classes 7514 General Laborer and 3417 Gardener, and (2) the proposed rate of 6.25 percent of salary is roughly equivalent to the \$1.15 per eligible hour worked which members of Local 261 in classes 7514 General Laborer and 3417 Gardener currently receive.

Specifically, the hourly wage at the 5th step in 1996-97 for Class 7514 General Laborer is \$18.2125. A night differential calculated at 6.25 percent of this amount would be \$1.14, compared to the \$1.15 which such employees currently receive as a night differential under the existing MOU. The hourly wage at the 5th step in 1996-97 for 3417 Gardener is \$18.825. A night differential calculated as 6.25 percent of this amount would be \$1.18 compared to the \$1.15 which such employees currently receive as a night differential under the existing MOU. Together, City employees in classes 7514 General Laborer and 3417 Gardener account for 603 or 71 percent of the 851 current members of Local 261, according to information provided by ERD.

2. Attachment 1 to this report is a letter from Ms. Bosnich describing the nature of the clerical error which resulted in omitting from the FY 1996-97 MOU the option for Local 261 members to convert to a percentage of salary basis for calculating the night shift differential pay. Attachment 2 to this report is a letter from Ms. Bosnich showing the results of her survey concerning which employee organizations covered under Section 8.407 of the (1932) Charter were being paid the night shift differential on a percentage of salary basis as

> of July 1, 1992, and reflecting that a majority were being paid on a percentage of salary basis.

> 3. The Budget Analyst notes that the proposed amended Paragraph 115 would authorize the night differential to apply to "all hours worked" by the employee. Previous MOUs with Local 261 reflect that the night shift differential would apply only to "eligible hours worked" (i.e. hours of work between 6:00 p.m. and 7:00 a.m.). Assuming that this discrepancy also is clerical in nature, the proposed ordinance should be amended accordingly. However, as stated in Attachment 1, Ms. Bosnich indicates that she wishes to confer with the City Attorney concerning this language.

- Recommendations: 1. Provided the City Attorney's Office concurs (after consultation with the applicable Deputy City Attorney, who was not available for comment as of the writing of this report), amend the proposed ordinance (1) to reflect that the night shift differential for Local 261 would continue to apply only to "eligible hours" worked (i.e., hours worked between the hours of 6:00 p.m. and 7:00 a.m.), rather than to "all hours worked," and (2) to reflect that the proposed amended provision, which would authorize the night shift differential for Local 261 members to be paid as a percentage of salary, would apply retroactively to July 1, 1996.
 - 2. Approve the proposed ordinance, as amended.

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE HUMAN RESOURCES DIRECTOR

ATTACHMENT 1

February 14, 1997

Harvey Rose:

This letter responds to your request for further explanation of why our proposed amendment to the Local 261 MOU should be considered clerical in nature.

I can verify that for 1995-96, the language in the MOU with Local 261, paragraph 116 (now number 115) was transcribed unchanged from the 1994-95 Mou, including the "trigger language" allowing Local 261 to revert to percent of salary for the night differential. For the 1996-97 contract year, you can see that the enclosed draft version (labeled 40496VR-D2) contained the carry forward of the Night Shift Differential (paragraph 116) unchanged, i.e, it still had the provision allowing a change to 6.25%. However, the trigger language was inadvertently dropped from the final version of the 1996-97 MOU.

Needless to say, the "trigger language" was not tested until I conducted the analysis in preparation for this amendment. Be mindful that the findings indicated that the majority of City employees covered by Charter Section 8.407 were not off a percentage rate by July 1, 1992, therefore, the differential reverts to a percentage basis of 6.25 percent.

I hope you follow the chronology of events here. The conversion of the Salary Standardization Ordinance provisions into new collective bargaining agreements did not occur under the ideal circumstances. ERD negotiated forty plus agreements with limited resources and stringent time lines, and as a result, clerical errors were an inevitable reality.

I agree with you that the proposed amendment should reflect that the night shift differential would be paid for eligible hours worked during the night shift (between 6:00 PM and 700 AM) and not for hours worked during any other periods. However, this proposed language was drafted by the City Attorney's Office, and I believe it would be best to review this issue with Vicki Clayton before making another amendment.

Janet Bosnich-Seijas
Employee Relations Division
Janet Farnes Division

ATTACHMENT 2

February 14, 1997

To: Vicki Meade, Budget Analsyt Office

From: Janet Bosnich, Employee Relations Division

Re: Charter 8.407 City Employees Percentage Rate Differential To Be or Not to Be

A survey indicated that on July 1, 1992, for a majority of city employees covered by Charter Section 8.407 with collective bargaining agreements or in the absence, the salary standardization ordinance, receiving night shift premium were being paid a percentage rate for qualifying hours ranging from 6.25 % to 8.0%.

Percentage %

IFPTE Local 21 SEIU Locals 790, 535, 250 TWU Local 250 A(multi units) Plumbers Local 38 Electricians Local 6 Stationary Engineers Local 39 Teamsters Local 856 Supervising Counselors Assoc.

Flat Dollar Amount

Hodcarriers/Bricklayers Local 36 Glaziers Local 718 Sheetmetal Local Loc 104 Automotive Machinists Loc 1327 Building Mat. Constr. Loc 216

You also might note that for those employees not covered under memoranda of understanding as of July 1, 1992, the provisions of the Salary Standardization applied. For Fiscal year 1992-1993 the Salary Standardization Ordinance provided that employees be paid 6.25% more than the base rate for hours worked between 5:00 PM and 7:00 AM, if the employee works at least one (1) hour of his/her shift between 5:00 PM and 7:00 AM.

Memo to Finance Committee February 19, 1997

Item 2 - File 101-96-33

Note: This item was continued by the Budget Committee at its meeting of

January 22, 1997.

Department: Recreation and Park Department (RPD)

Item: Ordinance appropriating \$100,000, Recreation and Park

Department, from a General Fund Reserve, for an integrated pest management plan for training, materials and supplies, equipment, and services of other departments for Fiscal Year

1996-97.

Amount: \$100,000

Source of Funds: Integrated Pesticide Management Plan General Fund

Reserve of \$100,000, established by the Board of Supervisors

in the FY 1996-97 budget.

Description: The Board of Supervisors has previously approved, through an amendment to the Administrative Code, a "City Pest

Management Program."

Chapter 39 of the Administrative Code states that it shall be the policy of San Francisco "to eliminate or reduce the use of pesticide applications by City departments to the maximum extent feasible and to develop and implement Integrated Pest Management Policies in City departments" (Ord. 401-96, File 97-96-52).

Under Chapter 39, 'Integrated Pest Management' is defined as:

...a pest management method that combines biological, cultural, physical, and chemical tools to minimize health, environmental, and financial risks... The method uses the least toxic synthetic pesticide only as a last resort to controlling pests.

Use of Pesticides Prohibited

Chapter 39 of the Administrative Code forbids the use after January 1, 1997 of:

...any Toxicity Category 1 pesticide, any pesticide containing a chemical identified by the State of California as a chemical known to the State to cause cancer, or reproductive toxicity pursuant to the California Safe Drinking Water and Toxic Enforcement Act of 1986, or any pesticide classified as an [actual, possible, or

probable] human carcinogen [cancer-causing agent] by the United States Environmental Protection Agency (EPA).

According to Mr. Jim Cooney of the Recreation and Park Department, "toxicity Category 1 pesticides" are the most highly toxic and dangerous pesticides; they are distinguished by labels printed with "Danger" warnings. Non-Category 1 pesticides are pesticides which are less toxic and do not require the "Danger" warning.

In addition to the immediate prohibition of Category 1 pesticides, known and suspected carcinogens, and reproductive hazards, effective January 1, 1997, the Administrative Code also requires City departments to reduce the use of non-Category 1 pesticides by 50 percent of 1996 levels before January 1, 1998, and to eliminate the use of non-Category 1 pesticides entirely no later than January 1, 2000, "except for those pesticides that the Board of Supervisors has reviewed and approved... based on a recommendation from the Commission on the Environment."

The Commission on the Environment, which heads the City's Environment Department, consists of seven members who are appointed by the Mayor for four year terms. The Commission is mandated by the Charter "to produce an assessment of San Francisco's environmental condition..." and to "produce and regularly update plans for the long-term" sustainability of San Francisco." City departments are required to submit their draft Integrated Pest Management (IPM) Plans to the Commission on the Environment, which "may make recommendations" on the proposed plans. Departments are also required to submit their draft IPM plans to their respective Commissions, and are required to include in their submissions any comments or recommendations made concerning the draft IPM plan by the Commission on the Environment, according to the Administrative Code.

Under the Administrative Code, any City department which uses pesticides must comply with the following timelines for the complete elimination of pesticide use:

Type of pesticide
Category 1 pesticides, actual or possible
carcinogens, and reproductive toxins
All other pesticides
50 percent reduction
100 percent reduction
January 1, 1998
January 1, 2000

In order to meet these existing statutory regulations for the elimination of pesticides, the Recreation and Park Department (RPD) is now requesting \$100,000 from the previously established Board of Supervisors reserve, in order to develop the Recreation and Park Department's Integrated Pest Management Program.

According to the Recreation and Park Department, the anticipated Integrated Pest Management Plan would enable the RPD to comply with Chapter 39 of the Administrative Code concerning the elimination of pesticides before the required deadlines. The Integrated Pest Management Plan will rely on non-chemical methods, such as the application of natural predators, life-cycle interruptions, or non-toxic substances, to control pest infestations in the City's parks and public facilities.

Budget:

The following is a summary budget request of the Recreation and Park Department to implement an Integrated Pest Management Plan during the 1996-97 fiscal year:

Department of Agriculture	
work order funds	\$40,000
Equipment	35,000
Materials and supplies	20,000
Training	5,000
Total	\$100.000

Comments:

1. As required under Chapter 39, a draft Integrated Pest Management Plan would be submitted by the RPD to the Commission on the Environment for its review, according to Mr. Ernie Prindle, Assistant General Manager of the Recreation and Park Department. The Commission on the Environment may make recommendations to the Recreation and Park Department for changes in the draft plan, pursuant to Administrative Code Section 39.6(d).

The Recreation and Park Department would work order \$40,000 of the \$100,000 requested to the Department of Agriculture, to assist the Recreation and Park Department in developing its Integrated Pest Management Plan. Such a plan has been developed in draft form by the RPD. The Department of Agriculture will review the plan and assist the RPD to incorporate site-specific plans for RPD property into the overall plan. The Integrated Pest Management Plan has not yet been approved by the Commission on the Environment.

2. Attachment 1 is the proposed \$40,000 budget prepared by the County Department of Agriculture to assist the RPD in preparing a draft Integrated Pest Management Plan on behalf of the Recreation and Park Department.

The proposed Department of Agriculture budget reflects that a total of \$15,500 would be used for salaries, including \$11,500 for 750 hours of a Public Service Trainee. Mr. Dave Frieders, San Francisco County Agricultural Commissioner (who heads the Department of Agriculture & Weights and Measures), states that the Public Service trainee will work under the supervision of an Agricultural Inspector to prepare and distribute published Integrated Pest Management guidelines, policies, procedures, and training materials for the benefit of City agencies and the general public. The remaining \$4,000 requested for personal services would fund overtime by the Agricultural Inspector to prepare the Citywide Integrated Pest Management Plan.

The proposed Department of Agriculture budget also includes \$8,500 in non-personal services. This consists of (1) \$4,500 to procure training materials, and to attend a series of specialized technical workshops and conferences within California on the subject of integrated pest management; (2) \$1,500 to provide training in basic pest management principles and concepts to the trainee who will be compiling and distributing the materials; and (3) \$2,500 in outside consulting services. Mr. Frieders states that outside consultants will be retained only for highly technical professional consulting services on a very short-term 'asneeded' basis, potentially involving many separate consultants providing limited consulting services for a wide variety of chemical, toxicological, ecological, and pest management issues.

The proposed budget also includes \$5,500 for materials and supplies, including publication, postage, reproduction, and telephone charges.

The Department of Agriculture has also requested \$10,500 to develop electronic information resources, including a potential Internet 'web-site,' to distribute information about integrated pest management guidelines and procedures to other public agencies and the general public.

3. The Recreation and Park Department has requested \$60,000 (of the total \$100,000 requested) to purchase equipment and supplies related to the immediate prohibition of "Category 1 pesticides" (effective January 1, 1997), and to

abate the use of other pesticides, as required by the Administrative Code. Attachment 2 to this report shows the Recreation and Park Department's detailed budget estimates for its proposed equipment purchases in the amount of \$34,691 (for which \$35,000 is requested), and for materials and supplies in the amount of \$19,768 (for which \$20,000 is requested). Additionally, the RPD has requested \$5,000 for training expenses.

Attachment 3 is the Recreation and Park Department's detailed explanation for its proposed \$60,000 budget, including specific information (Part E) on how the proposed expenditures (totaling \$55,000 for equipment, materials and supplies, and \$5,000 for training), are expected to reduce the City's use of pesticides within the deadlines established in the Administrative Code, and why these proposed expenditures should be made before the required Integrated Pest Management Plan has been prepared by the Department of Agriculture and reviewed by the Commission on the Environment.

The Budget Analyst notes that the purpose of the RPD Integrated Pest Management Plan is to provide guidelines, policies and procedures for implementing an Integrated Pest Management program which will meet the Administrative Code requirements to ban the City's use of pesticides. If the funds requested by the RPD for equipment, materials and supplies, and training are appropriated (by approving the proposed ordinance), these expenditures would be made before a draft Integrated Pest Management Plan for the RPD is reviewed and refined by the Department of Agriculture and submitted to the Commission on the Environment.

However, Mr. Frieders states that the Department of Agriculture has been assisting the RPD on development of the draft Integrated Pest Management Plan since October, 1996. Mr. Frieders further states that the equipment and supplies requested in the subject ordinance will, in his opinion, definitely be needed by the RPD to control pests and reduce pesticide use, regardless of any modifications or enhancements to the draft Integrated Pest Management Plan that might be recommended in the future by the Department of Agriculture. Attachment 3 is a detailed memo from RPD justifying the purchase of such equipment and supplies prior to submission of the Integrated Pest Management Plan to the Commission on the Environment.

Attachment 4 is a letter from the RPD requesting approval of the \$60,000 requested by RPD, based on RPD's stated need to

Memo to Finance Committee February 19, 1997

implement integrated pest management practices immediately. The decision whether to approve the requested \$60,000 in RPD expenditures, before a final Integrated Pest Management plan has been prepared by the RPD and reviewed by the Commission on the Environment, is a policy matter for the Board of Supervisors.

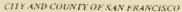
4. In summary, we believe that, of the \$100,000 requested, it is appropriate at this time to approve the \$40,000 which the Recreation and Park Department has requested for the services of the Department of Agriculture to allow the RPD to prepare a formal Integrated Pest Management Plan, as required by the Administrative Code.

The decision whether to approve the \$60,000 amount requested by RPD for equipment (\$35,000), materials and supplies (\$20,000), and training (\$5,000), for use by the RPD before a final Integrated Pest Management plan has been prepared by the RPD and reviewed by the Commission on the Environment, is a policy matter for the Board of Supervisors.

Recommendation:

Approve \$40,000 (of the \$100,000 requested) for the services of the Department of Agriculture to assist RPD in preparing its Integrated Pest Management Plan for submission to the Commission on the Environment.

The decision whether to approve the remaining \$60,000, before a final Integrated Pest Management plan has been prepared by the Recreation and Park Department and reviewed by the Commission on the Environment, is a policy matter for the Board of Supervisors.



Attachment 1
Page 1 of 2



David C. Frieders Agricultural Commissioner Director of Weights and Measures Fred W. Crowder
Assistant Agricultural Commissioner
Assistant Director of Weights and Measures

TO:

Vicky Mead, Budget Analyst

FROM:

David Frieders, Agricultural Commissioner/ Director of Weights and Measures

DATE:

February 3, 1997

SUBJECT:

Pesticide Management Plan - Recreation & Park Department

As per your request, our projected 96-97 budget to implement this years portion of the cities Integrated Pest Management Plan for the Recreation and Park Department is as follows:

Personal Services

Agricultural Inspector Salary -

Overtime at \$32.02/hr x 125 hours

\$ 4,000.00

9910 Public Service Trainee -

750 hours @ \$ 15.38/hr

\$11,500.00

Non-Personal Services

Travel - Conferences and workshops to include special training courses on Integrated Pest Management, examples are:

- Applied Insect Ecologists Conference

· Annual Pest Science Conference

- Economic Entomologists Conference

- Pest Control Operators of California Meetings

- Structural Pest Control Board Meetings \$ 4,500.00

Training- Public Service Trainee, Intern

\$ 1,500.00

Outside Consulting Services-

\$ 2,500.00

Material & Supplies

Publication
Postage
Office Supplies
Reproduction Services
Telephone Expenses
Other Materials and Supplies

\$ 5,500.00

Fax: 415-285-8776 Attachment 1 Page 2 of 2

Other Services*

Computer Software Modem/Phone Une State Department hook-up ISD (programer for software and consultation) Other Equipment (Computers/Typewriter/Desk, etc)

\$10,500.00

TOTAL

\$40,000.00

*The actual costs for the implementation of "Other Services" is unknown by the department at this time. This money will be work ordered over to Information Services Division and Department of Telecommunications for the implementation of an IPM internet web site and related information access, as well as development and installation of program related software, and purchase and set up of related hardware.

If you have any questions, or I may be of assistance, please contact me at 285-5010.

	IPM PEST MANAGEM	ENT. EQUIP	MENT (\$35,000)		
Οισυίδο	Ment Description	licip Number	Vendor	Unit Cov	Estimated - Total Costs
				(\$)	w/.tr/6)
7	Rogers Imovative Trailer Mounted	TM 600	Siena Pacific		13500.00
	and drift spray approvates for test applications of tackgleal, organic, and persocial liquid formulations		State		and the printing of the second of the printing
	Rogers Innovative 80inch Greensfoil	2000 series	Sierra Pacific		1400.00
	a conditor band powered, terrained accept mallerna a				
	Freight for above items	NA:			1100.00
1	Blo Sprayer Predator Release Sprayer- (for releasing natural predators).	BIDATY	Beneficial Insectacy	2995.00	3250.00
The second secon	Solo Mist Blower w/ Ultra Low Volume Package Accessories (2 cycle: 5hp)	Model:423;-;	Farget Specialty (Special Order)		1085.00
	(or treating large strucks and trees with head struckers & Swastoner perfectes				
1	Gasoline Powered Steam Generator (for experimental weed control protects)		Easterday Stipply:	1700.00	1846.00
2	Ferris Hydro Walk Single Drive Grass/:: Wood/ Brush Mover (12:5 hp. 36")	HW 36 KA	Brender's Mower Shop	2545.00	5710.00
	alternative to hydrocloss for optimal of boosh and fall- weeds in-park cellings.				delyery
	"Husqvarra Portable Sturrer Gunder."	272K	Brenner's Mower.	920,00	1000.00
	freatment of small fresh cut stumps of trees and forush				
	Toshiba Tecra 500 CDT Pontable Field Monitoring Competer W/6X CD-ROM, audio pkg, and	141214	California State Gomplifer Store	111111	5800:00
The Control of Control	in serve as designated computer to link IPM field and office activities, house IPM detalesco, and purvice interactive diagnostics.	Local Control of the	The state of the s	And the second s	
		Tota	Estimated Cost of I	Equipment	\$34,691.00

Attachment 2 Page 2 of 3

IPM Budget Page 2 of 4 12/20/96

Sugartity	tten Description	Hym	Vendor	Unit Cost	Esterate
		Númber		Professional Profession	v (ax (a)
15/	Red Dragon Flame Weed Burners (propose type w/ 10/1 hosey 400K BTU	'PWC'501'	Feaceful Valley Farm Supply	62:95	1025 (
15	Regulator Kil For Red Dragon Burner	PWC515	Peaceful Valley Farm Supply	38:95	6353
15	Medium Duty Hand Trucks (for propane tank weed flamer mobility)		.Cole/Hardware	41.95	683
- 15	Liquid Propane Canisters (with propane)	2.1/2.gal	Suburban Propane	46-95	765
90	Propage Refills (for Weed		Suburban Propane	9,25	910.
2	Husqyama Heavy Doty Brush, Cleading Saw (2.7cc in.)	245R	Brenner's Mowers	500.00	1085
/4	Brushjáck BrushrRemoval/ Fool	G0950	Peaceful Valley:	.79.00	345
15,	Biocultivator (Specialty cultivator)	G0195	Peaceful Valley Farm Supply	29,95	488
6	Stdeswipe Wick Helbicide Applicators (eliminatecont in spot applications)		A M Leonard	31:97	210
3	Expedite No Mix Herbinde Applicators (reduced defined expessure)	8697006	Target Specially Products	33/25	109
3	Battery For Above Expedite Machine	6697002	Target Specialy Products	\$3,73	175.
3	Battery Charger For Above Battery	8697001	Target Specially Products	52/19	= +

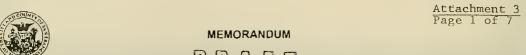
Attachment 3
Page 3 of 3

IPM Budget Page 4 of 4 12/20/96

	IPM Budget	Materials and	l Supplies (\$20,00	0)	
'Alianity	Rem Description	item Number	Verdor	UnitCost	Total Cost
6.	Motsture Smart ET Gauge	R44101	Gemplers		98.00
STEERS ST	Books and Manuals Relating	various	various,		1000.00
asst	10 Pest Management Video Tapes Relating to Pest	Various	various		500,00
Nasst	-Management Microscope Accessories and	Various	NASCO Teaching	300.00	The distance of the second of
	Slide Preparation Materials	Various	Supplies		250.00
asst.	- Office Stipplies			289.95	245.00
1	Super Bright Overhead Projector	Z15436M	NASCO Teaching Supplies		
	Kotak Ektagraphic III Slide - Projector (AP:0172-2024A)	405407	Office Depot	473.20	514.00
1	Interactive Turfgrass Disease	42201	APS Press	395'00	429 00
	Diagnosis and Management CD-ROM	Total Esti	mated Cost: Materials	and Supplies	\$19,768.00

City and County of San Francisco

Recreation and Park Department



TO:

Vicky Mead, Budget Analyst, Board of Supervisors James Cooney, Assistant Superintendent of Parks

FROM: DATE:

January 23, 1997

SUBJECT:

Integrated Pest Management Plan General Fund Reserve

The San Francisco Recreation and Park Department (SFRPD) has requested \$100,000 from the Integrated Pest Management (IPM) Reserve established by the Board of Supervisors for the Fiscal Year 1996-1997. SFRPD has submitted detailed budget estimates for proposed equipment and materials and supplies needed to meet the City's objectives mandated in Chapter 39 of the Administrative Code, San Francisco's new "Pest Management Plan." The budget estimates are \$35,000 for equipment and \$20,000 for materials and supplies. SFRPD has also proposed that \$40,000 of the IPM reserve be allocated to the County Agriculture Department for technical assistance in developing and implementing SFRPD's new IPM policy. The remaining \$5,000 is to be spent on training in IPM techniques.

The Board of Supervisors Budget Analyst has noted that a Board of Supervisors approval of these expenditures would result in the purchase of equipment, and materials and supplies prior to the drafting of a SFRPD IPM Plan. Furthermore, the analyst has recommended that only the \$40,000 appropriation should be approved at this time to fund the proposed work order to the County Agriculture Department (SFCAD) for assistance. SFRPD believes that the entire \$100,000 budget should be appropriated now. The following information serves as justification and is provided for clarification:

- A. SFRPD has nearly completed a first draft of an IPM Policy Plan as mandated by the new ordinance.
- B. SFRPD anticipates that SFCAD will provide technical expertise in improving upon the drafted plan. .
- C. SFRPD has specific IPM training needs.
- D. The proposed equipment and materials and supplies provide sensible solutions.
- E. The proposed purchase will satisfy Chapter 39 requirements to reduce or eliminate the use of pesticides in the City's parks and recreation areas.

A. SFRPD has nearly completed a first draft of an IPM Policy Plan as mandated by the new ordinance.

SFRPD is actively executing tasks established in its original IPM workplan as described in an August 20,1996 document entitled <u>Goals and Objectives of the San Francisco Recreation and Park Department Integrated Pest Management Plan.</u> This workplan was developed with the direct assistance of Lyndon Hawkins, Senlor Environmental Research Scientist with the State Department of Pesticide Regulation's (DPR) Environmental Monitoring and Pest Management Program. Mr. Hawkins has helped a number of California

McLaren Lodge, Golden Gate Park Fell and Stanyan Streets FAX: (415) 668-3330 Information: (415) 666-7200

TDD: (415) 666-7043

San Francisco 94117

Attachment 3 Page 2 of 7 01/23/97Page 2

Integrated Pesi Management Plan General Fund Reserve

municipalities and agencies in establishing IPM Plans and continues to play a key role in San Francisco's current efforts to develop a citywide IPM Plan of its own.

In accordance with the established IPM workplan and in an effort to prepare a written IPM Plan by July 1, 1997 for review by the Commission on the Environment as mandated by Chapter 39 section 39.6, SFRPD has fulfilled the following relevant assignments:

- SFRPD has appointed a qualified, competent individual to serve as an Acting Integrated Pest Management Coordinator to facilitate the Department's pest management activities and provide oversight of IPM Program development.
- SFRPD in July 1996 established an internal IPM working group representing management and personnel directly involved with supervision of pest management operations. The IPM Task force meets at least monthly to discuss IPM issues and draft policy required to meet Chapter 39 provisions. Meetings have included presentations from professional IPM Consultants and input from SFCAD and DPR representatives. Detailed minutes of these meetings are available.
- 3. SFRPD since 1995 has maintained an internat Pest Management Advisory Committee (PMAC) to advise the Department on pesticides and related regulatory issues. PMAC is composed of the Department's Industrial Hygienist and state licensed Pest Control Advisers responsible for supervising the distribution and use of pesticides at SFRPD. Detailed minutes of these meetings are also available.
- 4. PMAC has performed an audit of all pesticides used by SFRPD and the IPM Coordinator has distributed a document prohibiting the use of those chemicals banned under the January 1, 1997 provision of Chapter 39 (39.3). A more comprehensive "risk assessment" of SFRPD pesticides has also been performed.
- 5. The IPM Coordinator, the IPM Task force, and PMAC have reviewed IPM Plans for numerous California cities and other agencies. SFRPD is currently preparing a draft of its new IPM and Pestlicide Use Manual that includes adaptations of major policy components of the Berkeley and Santa Monica plans coupled with the distinctive provisions of the San Francisco ordinance. The first draft will be completed in late February 1997 and will be available for review and revision by the County Agriculture Department at that time.
- 6. SFRPD, with the assistance of Lyndon Hawkins, is adapting and adopting specific pest profiles and management guidelines from the National Park Service's IPM Plan for the Presidio. The profiles provide concise, accurate descriptions of various pests and key information needed to manage them using least toxic methods. A modification of the Presidio's management guidelines will provide effective pest management strategies that fully comply with the Chapter 39 Ordinance. This information will then be incorporated into the existing draft of the SFRPD IPM and Pesticide Use Policy Manual to form a single cohesive, comprehensive SFRPD IPM Plan. With additional guidance and suggestions obtained from SFCAD, the Commission on the Environment, and others, this plan will likely serve as the template for other City Departments and perhaps eventually other California cities as well.

B. SFRPD anticipates that SFCAD will provide technical expertise in Improving upon the drafted plan

The drafting of the aforementioned SFRPD policy is intended to mark a decisive starting point in developing a flexible, formidable SFRPD IPM Plan consistent with Chapter 39 legislation. The envisioned role of the County Agriculture Department is to work with this document provided by SFRPD and to identify portions that require further revision or

Attachment 3
Page 3 of 7

Integrated Pest Management Plan General Fund Reserve

01/23/97Page 3

enhancement, and input from specialists and other resources available to the County Agricultural Commissioner. The \$40,000 stipend allocated to SFCAD from the IPM Reserve will fund this activity.

Furthermore, in providing the Agriculture Department with a working first draft of the SFRPD IPM Plan for revision, more time will be available to other City departments on the part of SFCAD staff. This will also result in a considerable cost savings allowing more funds to be used for expanded technical assistance in the actual implementation of the new IPM plan at SFRPD which is considered by all involved to be the critical component necessary for a successful adoption of the Chapter 39 Ordinance.

SFRPD recognizes that other agencies possessing suitable detailed written IPM Plans that have often reportedly fallen short of achieving the desired effect due to an inability to provide necessary continuing follow up and program adjustments as needed. SFRPD is working closely with the Agricultural Commissioner to ensure that the \$40,000 allocation need not be exhausted in simply establishing a written document. Both departments are intent to ensure that funding is available to allow SFCAD to provide ample, necessary assistance to SFRPD in initiating actual IPM activities in the field.

While the SFCAD is still in the process of constructing its work order pertaining to the planned use of the \$40,000 in question, it is clear that David Frieders, the Agricultural Commissioner is in agreement with SFRPD that emphasis should be placed on making a plan work for San Francisco and not simply making a plan.

C. SFRPD has specific IPM training needs.

In addition to the requested \$40,000 allocation for consultation services to be work ordered by SFCAD, SFRPD wishes to have \$5,000 of the IPM Reserve appropriated for training expenditures. The funding will sponsor classroom and field training sessions to be conducted by professional IPM consultants and other specialists. Such events avail the opportunity for SFRPD personnel to gain first hand knowledge of the concepts of Integrated Pest Management and which specific techniques may be useful in reducing or eliminating the need for pesticides to be used at SFRPD sites in accordance with Chapter 39.

It has been demonstrated to SFRPD by Mr. Hawkins and other authorities on the subject of IPM that "training the trainers" is fundamental in establishing effective alternative pest management strategies. SFRPD in conceiving its IPM and Pesticide Use Plan has given careful consideration to the imminent role that first-line supervisors in the field will play in carrying out the Department's new IPM policy. Thus it is highly desirable that these individuals are encouraged to learn as much as they can about practical, common-sense approaches to pest problems by attending such functions. A strong commitment of the part of these employees to the Department's IPM Policy is vital to its success.

To that end, a variety of four hour IPM Workshops have been planned to encompass a variety of pertinent topics including IPM solutions to vertebrate, Insect, plant pathogen, and weed pests. The IPM Workshops will be held approximately two months apart and will stress group participation and exercise in addition to lecture material. Qualified presenters with extensive knowledge of particular pests of concern and control measures that stress alternatives to pesticides will be selected with the assistance of the Agricultural Commissioner. Continuing education units sanctioned by the State are available to personnel possessing Pest Control Adviser (PCA) licenses and/or Qualified Applicator Licenses or Certificates (QAL/QAC).

Three such workshops, co-sponsored by DPR and SFCAD, have been held thus far at SFRPD with considerable success. At the most recent event, a group of approximately seventy supervisors and select gardeners participated in an IPM Workshop conducted by Sheila Daar, Executive Director of Berkeley's renowned Bio-Integral Resource Center (BIRC). Ms. Daar, a highly respected IPM authority, presented information on weed ecology and least toxic methods for weed control. The seminar closed with a 90 minute directed

Integrated Pest Management Plan General Fund Reserve

01/23/97Page 4

group activity session in which participants were given the opportunity to apply what they had learned in developing and reporting on brief plans to manage a variety of representative sites they commonly encounter in their respective jobs. San Francisco Agricultural Inspector Jay Seslowe presented material concerning Chapter 39 and State pesticide laws and regulations as well. A number of city employees from other departments were also in attendance.

D. The proposed equipment and materials and supplies provide sensible solutions.

The Board of Supervisors Budget Analyst has expressed concern about proposed equipment and material and supply purchases proposed by SFRPD claims are necessary to Initiate IPM. More information regarding how these purchases will be utilized to comply with specific pesticide reduction and elimination provisions of Chapter 39 has been requested.

SFRPD acknowledges that these proposed purchases do not derive from a finished IPM Plan. The Pesticide Use Ordinance has necessitated that both the plan and the budget be drafted simultaneously. SFRPD further agrees that the budgeted items have not been directly selected by an IPM consultant. SFRPD is confident, however, that the proposed purchases accurately reflect state of the art in IPM related technology and will grant the Department an excellent opportunity to initiate and evaluate activities required to meet the objectives of Chapter 39. The bases for selecting these items are as follows:

- 1. The Department's Acting IPM Coordinator, Mr. Robert Fiorello, PMAC, and the IPM Task force responsible for selecting the items in question have spent considerable time investigating the current status of IPM and are familiar with the related technology and "tools of the trade." More importantly, these individuals understand better than anyone the exact nature of the pest problems and difficulties associated with managing them at SFRPD.
- 2. The majority of these Department employees are State licensed Pest Control Advisors who regularly attend numerous pest management related functions and events held in Northern California and are required by law to keep abreast of the latest information regarding post management including non toxic methodology. For example, recently four of these individuals attended a two day Pest Science Conference in Davis. Mr. Fiorello has also been invited to participate as a panel member at a statewide Urban IPM Conference in Visalia in February.
- 3. In recent months, the Department has formed close associations with a variety of persons and organizations from around the State directly involved with IPM and efforts to reduce the use of pesticides. As previously mentioned a variety of pest management professionals have participated in planning SFRPD activities and have attended SFRPD functions.
- 4. The proposed purchases of equipment, materials, and supplies (\$55,000) resulted from specific recommendations gained from these interactions of qualified SFRPD employees with other pest management professionals using catalogs and reference materials from IPM and Organic Farming product suppliers such as Peaceful Valley Farm Supply and Gempler's Supply Company.
- 5. In some cases, proposed purchases reflect material presented by professional consultants at the SFRPD IPM Workshops. For instance, the budget identifies the proposed purchase of:
 - (15) Red Dragon Flame Weed Burners and associated supplies (totaling \$4018) (1) gasoline powered steam generator (to enable hot water weeding)
 - (4) Brushjack Brush Removal Tool (to control invasive exotic plants)
 - (6) Sideswipe Wick Herbicide Applicators (for small spot applications) (\$210) All of these specific types of tools were recommended by Sheila Daar at the last IPM Workshop on weeds well after SFRPD personnel had selected them to be budgeted.

PAGE:09
Attachment 3
Page 5 of 7

Integrated Pest Management Plan General Fund Reserve

01/23/97Page 5

In other cases, proposed purchases reflect input from respected IPM Coordinators and others:

The Red Dragon brand of propane flamers was chosen over others based on a recommendation from Nancy Brownsfield, IPM Coordinator for the East Bay Regional Park District. The planned purchase of (20) Prefabricated Owl Boxes (\$1411) also resulted from a discussion with Ms. Brownsfield at a Gopher IPM Workshop she was invited to attend at Golden Gate Park in September, 1996 (see accompanying article, enclosed).

Bruce Badzik, IPM Coordinator for the Presidio, has stated that the National Park Service uses equipment similar to the (2) Rogers Innovative sprayers itemized in the Equipment Budget (\$1350) and (\$1400).

The proposed purchase of:

(2) Ferris Weed/Brush Mowers (\$5710)

(2) Husqvarna 245R Brush Clearing Saws (\$1085)
(1) Husqvarna 272K Portable Stump Grinder (\$100)

were based on the recommendations and product demonstrations by Brenner's Mower Shop, a City contracted vendor.

In light of these factors, SFRPD believes that the choices for equipment and materials and supplies have been made both In good faith and using sound judgment based upon knowledge obtained from appropriate sources.

E. The proposed purchase will satisfy Chapter 39 requirements to reduce or eliminate the use of posticides in the City's parks and recreation areas.

It is the mission of SFRPD to adopt policies that wholly conform with the City's Pesticide Use Ordinance and "to eliminate or reduce the use of pesticides to the maximum extent feasible." SFRPD has in the past employed the use of a variety of pesticides for a number of reasons. The majority of these pesticides have been used in maintaining highly managed sports turf, valuable plant collections, and nursery stock. The major classes of pesticides used for these purposed have included herbicides, insecticides, and fungicides.

SFRPD has already fulfilled its obligation to forbid the continued use of pesticides banned by provision 39.3 of the Ordinance as previously mentioned. By purchasing the proposed equipment and materials and supplies, SFRPD will continue to develop methods to meet the other statutory regulations that will take effect January 1, 1998 (50% reduction) and January 1, 2000 (100% reduction) respectively in the following ways:

1. Experts agree that a good monitoring program is the key to successful IPM. The use of monitoring devices included in the proposal such as pest sampling nets, sticky traps, pH meters, soil testing kits, pheromone traps and lures, refractometers, a portable microscope and related accessories, and the portable field monitoring computer will allow SFRPD personnel to make and record accurate assessments of pest populations and environmental conditions in order to determine when and if any actions need to be taken.

The use of these devices will enable SFRPD to determine how well atternative pest management practices are working and which cultural practices should be employed to maximize plant health. Additionally, the use of these devices will ensure proper selection and timing of pesticide applications when they are required. This will reduce the need for repeat applications in many cases thus reducing overall pesticide use. Monitoring devices (not including the computer) account for \$4109 of the \$20,000 Materials and Supply Budget (20%).

The proper training of SFRPD employees in IPM techniques will certainly reduce the need for pesticides. Budgeted books and manuals, video tapes, a CD-ROM, an Integrated Pest Management Plan General Fund Reserve

01/23/97Page 6

overhead projector, and a slide projector will all be used for that purpose. The computer will be used as a training device as well, especially in the field. These materials (not including the computer) account for \$2,758 or 13% of the Materials and Supplies Budget.

- Budgeted Power equipment such as the (2) Ferris Brush Mowers, (1) Husqvarna Stump Grinder, (2) Husqvarna Brush Clearing Saws, and (1) Steam Generator (power washer) will be used, when appropriate and feasible, to control or suppress weeds and invasive vegetation without herbicides.
- 4. The use of (15) Red Dragon Flame Weeders (and related accessories), (4) Brushjacks, (15) Biocultivators, and (15) rolls of weed barner fabric will also reduce and in some cases eliminate the need for herbicides in landscaped areas and hardscape situations. Total expenditures for equipmnet and materials and supplies that will reduce the use of herbicides amounts to \$17,129 or 31% of the two combined budget components.
- 5. It is anticipated that the use of insecticides to control pests of landscape omamentals and nursery stock in some cases may be reduced by employing biological control agents. Past experience at SFRPD had produced mixed results. The budget includes \$2,000 to purchase beneficial insects and microorganisms and \$3,250 to purchase (1) unique machine, the Biosprayer, that improves the distribution of these natural enemies within targeted plant canopies. Total Expenditures would come to \$5,250 or 10% of the combined equipment and materials and supplies budgets.
- 6. When garden chemicals, whether they be pesticides, fertilizers, beneficial microbes, blostimulants or other organic compounds require a liquid distribution system, spray equipment is usually required. The equipment currently in use to treat golf courses and other turf areas is obsolete and in poor condition. SFRPD has included in this IPM proposed budget (1) Rogers innovative TM 600 Windfoil Applicator which costs \$13,500.00 and (1) Rogers Innovative 80inch Greensfoil priced at \$1,400. to safely and effectively manage turf applications of these products. The Rogers Company produces state of the art, precision equipment that eliminates the occurrence of "drift" so that these materials may be applied with improved safety to the operator, public, and the environment at large. The cost of these two items, \$14,900 amounts to 42% of the equipment budget.

The budget also includes (1) Solo Mist Blower (\$1085) that will be used to treat large, valuable plant specimens with pesticides of low toxicity if needed. Misters use less pesticidal material to treat a given area in companison to the hydraulic high pressure device currently used for this purpose at SFRPD. (3) Expedite No-Mix herbicide machines are also included (\$454) as well as (3) Sideswipe Wick Herbicide Applicators (\$210) in the proposal. These devices, although expressly made for the purpose of applying herbicides, allow for minimal exposure during applications and use less material than other application methods thus reducing total overall pesticide use. The total cost would be \$1,749 or 3% of the combined equipment and supplies budgets.

7. The purchase of a \$5,800 portable computer system would allow for the mandated record keeping and documentation. The computer will also be used as a portable field monitoring device and a training instrument. The purchase of a quality, versatile tool such as this would serve as a vital link between all the other IPM components discussed here. This would comprise of 17% of the equipment budget.

In summary, SFRPD concludes that it has carefully constructed the proposed budget for the \$100,000 appropriation from the Integrated Pest Management General Fund Reserve. SFRPD has clearly demonstrated how the funds will be spent, and what It anticipates will be achieved. The Department is now in technical violation of the

PAGE: 11
Attachment 3
Page 7 of 7

Integrated Pest Management Plan General Fund Reserve

01/23/97Page 7

ordinance. Further delay in the release of the reserve will compound an already untenable situation. The Department has committed to IPM Policy implementation and has so instructed its employees. IPM implementation will not proceed absent enabling funds.

City and County of San Francisco

Recreation and Park Department

Attachment 4



MEMORANDUM

TO:

Vicky Mead, Budget Analyst

FROM:

Ernie Prindle, Acting Assistant General Manage

DATE:

February 14, 1997

SUBJECT:

Integrated Pest Management Reserve

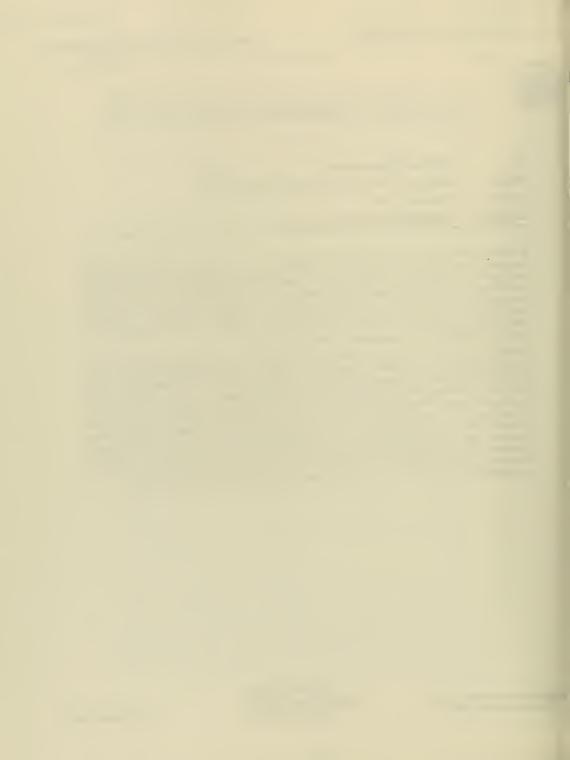
It is the opinion of the San Francisco Recreation and Park Department (SFRPD) that the Integrated Pest Management Reserve of \$100,000 should be released in full at this time as proposed by this Department. SFRPD has provided detailed accounts of how it plans to use these funds to initiate Integrated Pest Management (IPM) department-wide and has demonstrated sound judgment in justifying purchases of equipment (\$34,691), and materials and supplies (\$19,768) necessary to fulfill legislation mandated in Chapter 39, the City Pesticide Management Plan. As stated, many of the items selected are based upon specific recommendations from IPM authorities in contact with SFRPD.

SFRPD has strived to comply with all aspects of Chapter 39, Including the cessation of use of pesticides banned in the legislation, and is actively developing an SFRPD IPM Plan as required. While the Department has already begun to significantly reduce the use of pesticides overall, there are no resources other than this reserve available to provide effective alternatives. It may be several months before a finished draft of the SFRPD IPM Plan is completed and reviewed, In the meantime, in the absence of funds to provide equipment, materials and supplies, and training to implement IPM objectives, the City's parks and recreational facilities are experiencing increased pest related damage. It will cost considerably more money to rectify this damage if deferred. Any further delay in the release of the reserve in full to enable the purchase of necessary items as detailed in our request will result In further deterioration of SFRPD facilities and thwart efforts to further reduce the use of pesticides and implement IPM objectives.

FAX: (415) 668-3330

TDD: (415) 666-7043

Information: (415) 666-7200



Memo to Finance Committee February 19, 1997

Item 3 - File 101-96-45

Department: Recreation and Park Department

Item: Ordinance appropriating \$315,250 of Recreation and Park

Department revenue for FY 1996-97 to reimburse the San Francisco Giants for the installation of the "Out of Town

Scoreboard" at 3COM Park at Candlestick Point.

Amount: \$315,250

Source of Funds: Recreation and Park Department Miscellaneous Concession

Revenue

Description: In April of 1993 the San Francisco Giants (the Giants)

installed an "Out of Town" Scoreboard at 3Com Park at Candlestick Point. The Out of Town Scoreboard, which is located above the Family Pavilion section in right field at 3Com Park at Candlestick Point, displays scores for baseball games being played out of town. In addition to game scores, the Out of Town Scoreboard has three 10' X 25' advertising panels. The Out of Town Scoreboard is covered by the upper deck bleachers during the football season. (Note that the Out of Town Scoreboard is different than the main 3Com Park Scoreboard, which was installed by the Sony Corporation under a separate agreement with the City, and shows the

score of the game being played in the park.)

Mr. Ernie Prindle of the Recreation and Park Department (RPD) states that the Out of Town Scoreboard was installed in April of 1993 by Nibbi Brothers Construction and Daktronics, Inc., at a total cost to the Giants of \$358,404. (See Attachment 1 for the Out of Town Scoreboard installation budget.) At that time, the Recreation and Park Commission approved a second amendment to an existing Scoreboard Operating Agreement between the Giants and the City, which specified the terms under which the City would reimburse the Giants for the cost of installing the Out of Town Scoreboard. The Giants receive no revenues from the Out of Town Scoreboard, other than the subject reimbursement for installation costs.

Under the arrangement approved by the Recreation and Park Commission, the City agreed to reimburse the Giants for up to a total of \$340,000 in installation costs for the Out of Town Scoreboard, because the City receives ongoing revenues from the three advertising panels attached to the Out of Town Scoreboard. Such reimbursement is to be paid out of revenues received by the RPD from the Sony Corporation for sale of advertising on the three advertising panels attached to the

Memo to Finance Committee February 19, 1997

Out of Town Scoreboard. According to the Second Amendment to the Scoreboard Operating Agreement, the City will retain all future advertising revenue remitted by the Sony Corporation from these subject panels attached to the Out of Town Scoreboard (or approximately 65 percent of gross advertising revenue from the subject panels).

Mr. Prindle reports that the RPD is proposing to reimburse the Giants at this time by an amount equal to the actual advertising revenues received by the City to date from the Out of Town Scoreboard panels, in order to fulfill the terms of the agreement with the Giants. Professional Sports Marketing, Inc. has detailed the gross revenues received by the Sony Corporation from the Out of Town Scoreboard panels. (See Attachment 2.) Between 1993 and 1996, the Out of Town Scoreboard panels have generated estimated gross revenues of \$485,000. Under the agreement between the City and the Sony Corporation (File 65-92-17), approximately 65 percent of those revenues or \$315,250 have been paid to the City. The proposed supplemental appropriation would provide this \$315,250 for reimbursement to the Giants. The balance of \$24,750 (\$340,000 agreed reimbursement less \$315,250 to be paid if the subject supplemental appropriation is approved) would be paid when sufficient revenues have been received by the City from advertising on the Out of Town Scoreboard.

Comments:

1. The second amendment to the Scoreboard Operating Agreement covers various unrelated issues regarding operation by the Giants of the main 3Com Park Sony Scoreboard, as well as provisions for the subject Out Of Town Scoreboard. Regarding the Out of Town Scoreboard, the second amendment to the Scoreboard Operating Agreement states that the Giants would only be reimbursed for the subject installation costs of the Out of Town Scoreboard if overall advertising revenues at 3Com Park from advertising on the main 3Com Park Sony Scoreboard and other advertising panels located on the grounds of 3Com Park, remitted to the City by the Sony Corporation, were not adversely effected by the addition of the three advertising panels on the Out of Town Scoreboard. Mr. Prindle advises that, although overall stadium advertising revenues initially dipped in FY 1993-94 (partially because of the baseball strike), such revenues have increased substantially in FY 1994-95 and FY 1995-96. Mr. Prindle reports the following annual revenues to the City from the Sony Corporation for all advertising at 3Com Park:

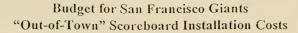
FY 1992-93	\$250,094
FY 1993-94	\$216,045
FY 1994-95	\$416,202
FY 1995-96	\$797,306

Therefore, the RPD reports that overall advertising revenues from the main 3Com Park Sony Scoreboard and other advertising panels located on the grounds of 3Com Park have not been adversely effected by the advertising panels on the subject Out of Town Scoreboard.

2. The original Scoreboard Operating Agreement between the City and the Giants, which dealt with operation by the Giants of the main 3Com Park Sony Scoreboard, was approved by the Recreation and Park Commission in 1991. The original Scoreboard Operating Agreement was not submitted to the Board of Supervisors for approval because it did not involve more than \$1 million in City revenue or expenditures per year, and the agreement was for less than ten years. The term of the original Scoreboard Operating Agreement was from 1991 to 1995, when the Giants' lease was scheduled to expire.

However, the <u>first</u> amendment to the Scoreboard Operating Agreement, which assigned the City's rights to an operating fee from Sony to the Giants and established that the Giants would assume responsibility for operating the Sony Scoreboard, was approved by the Board of Supervisors (File 65-92-18) in 1992, as part of a package of legislation pertaining to the Giants' lease. The second amendment to the Scoreboard Operating Agreement, which included the provisions for reimbursement of the Giants for installation of the Out of Town Scoreboard, was again not subject to Board of Supervisors approval.

Recommendation: Approve the proposed ordinance.



Construction
Nibbi Brothers*
161,291
Overhead/Profit
40,498

Game Board Equipment & Installation
DAKTRONICS*
156,615

TOTAL GIANTS COSTS
\$358,404

REC AND PARK REQUIRED REIMBURSEMENT
\$340,000

^{*}Please see enclosed invoices. Nibbi Brothers' costs are those specified for the Right Field Scoreboard and Panel Installation. DAKTRONICS' costs are specified on the three enclosed separate invoices



PROFESSIONAL SPORTS MARKETING, INC.

November 7, 1996

Mr. Tom Hart
Property Manager
City of San Francisco
Parks and Recreation Dept
501 Stanyan Street
San Francisco, CA 94117

VIA FACSIMILE (415) 666-7050

Dear Mr. Hart:

As requested, please find enclosed an estimated breakdown for revenue generated from the out-of-town game scoreboard installed by the San Francisco Giants.

The system includes three (3) 10' x 25' single face ad panels which are displayed only during Major League Baseball. The east bleachers cover the board during Football.

Since 1993, Office Depot, Lee Company, The Good Guys and Charles Schwab have occupied the three panels.

1993 Lee Company, The Good Guys, Charles Schwab
1994 Lee Company, Office Depot, Charles Schwab
1995 Lee Company, Office Depot, Charles Schwab
1996 Lee Company, Office Depot, Charles Schwab

Revenue Summary

♦ 1993	\$40,000	The Good Guys
	\$40,000	Charles Schwab
	\$40,000	Lee Company
Total	\$120,000	

1994	\$40,000	Office Depot
	\$40,000	Lee Company
	\$45,000	Charles Schwab

Total \$125,000

Mr. Hart Revenue Summary Page Two

4 1995	\$40,000	Office Depot
	\$40,000	Lee Company
	\$55,000	Charles Schwab
Total	\$135,000	
4 1996	\$40,000	Office Depot
	\$ -0-	Lee Company
	\$65,000	Charles Schwab
Total	\$105,000	
RECAP	\$120,000	
	125,000	
	135,000	
	105,000	
TOTAL	\$485,000	*
	The Party of the P	

* Charles Schwab totals reflect a deduction of \$15,000 for the cost of the program ad/merchandising.

The decoration of the original faces in 1993 was included in the original purchase order to the City of San Francisco and considered an expense approved by the Parks and Recreation Department.

Should you have any need any additional information regarding the above please feel free to call me at (510) 828-6280.

Sincerely,

Jim Moran President

jm/ad

Memo to Finance Committee February 19, 1997 Finance Committee Meeting

Item 4 - File 64-97-1

Department: Parking and Traffic

Resolution authorizing a new lease of real property for the

Department of Parking and Traffic Enforcement Division.

Location: 889 and 899 Bryant Street, at Bryant and 7th Streets

Purpose of Lease: Administrative offices, dispatch, locker rooms, childcare,

and assembly area for the Parking Control Officers

(PCOs).

Size of Lease: Two contiguous buildings with a net rentable area of

approximately 9,680 square feet and approximately 3,200

square feet of adjacent paved parking.

Lessor: HBJ Partners, LLC

Lessee: Department of Parking and Traffic Enforcement Division

Annual Rental Cost: \$162,720, based on \$16.81 per square foot for 9,680 square

feet, with no additional charge for the 3,200 square feet of

paved parking.

Utilities and Janitor Provided by Lessor:

City will only pay for separate metered electric service.

Term of Lease: Once tenant improvements are completed through June

30, 2007 (approximately ten years).

Escalator Clause: Base rent would remain fixed for ten years. Annual

increase in landlord operating costs and real estate taxes

above the initial twelve months of the lease term.

Source of Funds: General Fund revenues included in Department of

Parking and Traffic's FY 1996-97 budget

Description: The proposed lease would consolidate the administrative

offices, dispatch functions and locker rooms for the Parking Control Officers (PCOs), currently located at the City-owned Hall of Justice, with a group of PCOs currently located at the Department of Public Works City-owned maintenance yard at 2323 Ceasar Chavez Street. Given the configuration of the 3,200 square foot paved parking area, the proposed new lease would contain approximately six to eight parking spaces for vehicles and approximately 16 bicycle parking spaces for use by the Department of Parking and Traffic.

Comments:

1. According to Ms. Kathryn Hile of the Department of Parking and Traffic, the proposed relocation of the PCOs would alleviate overcrowding at the Hall of Justice, consolidate all PCOs in one location and keep the Enforcement Division within one block of the Department's current vehicle parking maintenance facilities, on Bryant Street between 7th and 8th Streets. Ms. Hile reports that the PCO vehicles would continue to be parked, behind the Hall of Justice, at 7th and Harrison Streets.

Ms. Toni Coe of the Department of Parking and Traffic reports that there are approximately 300 PCOs and supervisors, and an additional 20 dispatchers, supervisors, clerical and support staff that would be relocated to this new facility. The Department of Parking and Traffic Enforcement operates on a 24-hour basis, with the PCOs in the field most of the day. Each of the PCOs would report to the new facility at the beginning and end of their shifts and would have a locker at the 7th and Bryant facility.

- 2. The proposed new lease will result in additional annual General Fund costs of \$162,720 for lease expenses. In addition, \$24,000 will be needed for estimated annual electric expenses. According to Mr. Steve Alms of the Real Estate Department, although the landlord, as part of the lease, will provide janitorial services five days per week, the Department of Parking and Traffic operates primarily a six day a week operation. As a result, the Department has estimated an additional annual expense of \$6,300 for one additional day per week of janitorial services, or a total annual General Fund cost of \$193,020. According to Ms. Hile, these additional General Fund expenses will be requested in the FY 1997-98 budget. The General Fund monies included in the Department of Parking and Traffic's FY 1996-97 budget for this lease would be used for the start-up and moving expenses, including purchase and installation of lockers for the PCOs, new dispatch and workstation facilities and the related telephone and telecommunications wiring. Although the precise amount of these costs is not currently known, any excess funds would be closed out to surplus funds at the end of FY 1996-97.
- 3. Ms. Hile reports that the FY 1996-97 budget includes \$250,000 of General Fund monies for this proposed new lease. According to Ms. Hile, at the time of the FY 1996-97

budget approval, the Department of Parking and Traffic had not yet found a location for the new lease for the Enforcement Division and included the \$250,000 as an estimated amount for all the lease and moving expenses. According to Ms. Hile, the Department had anticipated being able to move into a new location during FY 1996-97. Under the proposed new lease, the Department of Parking and Traffic should be able to move into the proposed Bryant at 7th Street facility by approximately the end of June, 1997.

- 4. Under the proposed new lease, the landlord will complete, at no cost to the City, all the required tenant improvements estimated to cost approximately \$635,000, including heating, ventilation, air-conditioning, all seismic requirements and current American Disabilities Act (ADA) standards.
- 5. Under Article 1.5 of the City's Planning Code, bicycle space storage must be available at all properties leased by the City, provided that there is no cost to the landlord and that there are funds available to the City to pay for the cost of the bicycle storage facilities, installation and any other associated costs. According to Mr. Alms, the City, at no cost to the landlord, intends to provide approximately 16 bicycle storage spaces at the proposed new lease site. Mr. Alms reports that the final cost for these bicycle racks is currently being reviewed. Mr. Peter Tannen of the DPT states that the source of funds for the bicycle racks will be a grant of \$139,500 awarded by the Transportation Authority for the purpose of funding bicycle racks in buildings occupied by City personnel. Mr. Alms reports that, under the proposed lease arrangement, the City has the right to move the City-purchased and installed enclosed bicycle racks from the leased premises, if the City were to move from this location at some future date.
- 6. According to Captain Tim Hettrick of the Police Department, the vacated space at the Hall of Justice will be used by the Police Department's Traffic Division, which has grown over the last several years and needs additional space.
- 7. Mr. John Busher of the Department of Public Works (DPW) reports that the DPW did not know that the Department of Parking and Traffic was planning on moving the PCOs from the maintenance yard on Ceasar Chavez Street to the proposed leased facility at 7th and Bryant Streets. According to Mr. Busher, during the

Memo to Finance Committee February 19, 1997 Finance Committee Meeting

> 1980s, as a result of numerous operational inefficiencies. the DPW requested that the PCOs that work with the street sweeping operations, which are located at the Ceasar Chavez maintenance facility, be transferred from the Hall of Justice to the DPW maintenance yard. There are currently approximately 40 PCOs located at the DPW maintenance yard. Mr. Busher reports that currently the City's street sweepers and the assigned PCOs leave the maintenance facility together each morning for their scheduled routes in the City. According to Mr. Busher, prior to the relocation of the PCOs to the DPW maintenance yard, the street sweepers often had to wait for the PCOs to arrive to issue the necessary tickets on the vehicles, before they could begin to sweep the streets. Mr. Busher reports that DPW would be extremely concerned about the effect on DPW's street sweeping operations if the approximately 40 PCOs, presently located at the DPW City-owned maintenance vard at 2323 Ceasar Chavez Street were relocated to the proposed leased facility at 889 and 899 Bryant Street.

- 8. Mr. Bill Maher of the Department of Parking and Traffic reports that he will be discussing the PCO relocation issues with DPW in the immediate future, to address the street sweeping operational concerns of DPW.
- 9. Mr. Alms reports that whether or not the 40 PCOs located at the DPW maintenance facility are relocated to the proposed new leased facility at 7th and Bryant Streets will not make a significant difference in the space needs of the new facility because the PCOs are in the field most of the day. According to Mr. Alms, the same proposed lease of space at 7th and Bryant Streets would be needed.

Recommendation:

Approve the proposed lease.

Items 5, 6 and 7 - Files 93-97-3, 93-97-4 and 93-97-5

Department: Department of Human Resources

Items: Ordinances implementing the provisions of Memorandums of

Understanding between the Municipal Executives Association (MEA) and the City and County of San Francisco for MEA members of the Police Department (Item 5, File 93-97-3) for the period July 1, 1992 through June 30, 2001, the Airport Police (Item 6, File 93-97-4) for the period July 1, 1996 through June 30, 1997 and the Fire Department (Item 7, File 93-97-5) for the period July 1, 1992 through June 30, 1999. Each of the MOUs are to expire on the same date as the respective MOUs for the rank and file members of the Police Department, Fire Department and Airport Police. The MEA represents the management classification members of

the Departments.

Description: The following seven positions are covered under the three MOUs:

Class	<u>Title</u>	Number of Positions
Police Department		
0390	Chief of Police	1
0395	Assistant Chief of Police *	í
0373	Subtotal	$\frac{1}{2}$
Fire Department		
0140	Chief of Fire	1
0150	Deputy Chief of Fire	1
0145	Assistant Deputy Chief **	0
H-51	Assistant Deputy Chief II	1
11 5 1	Subtotal	$\frac{1}{3}$
Airport Police		
9218	Chief, Bureau of Airport Police	1
9217	Deputy Chief, Bureau of Airport Police	$\frac{1}{2}$
	Subtotal	$\overline{2}$
		_
	Grand Total	7

^{*} Classification restored to Department in January, 1996

In the spring of 1994, the Board of Supervisors disapproved the proposed MOUs for the Police and Fire Department management classifications. Such management employees are members of the MEA. Those proposed MOUs were based on the MOUs with the respective rank and file members of

^{**} Classification abolished in January, 1996

the Police and Fire Departments. The matter was then taken to binding arbitration, where the arbitrator found in favor of the MEA in February, 1995. Based on the binding arbitration award, the Controller directed that the new salary and benefits be paid for the five Police and Fire Department management positions shown above. The subject proposed MOUs for Police and Fire management classifications therefore reflect prior binding arbitration awards that have been actually been paid, and prospective rates of pay and benefits until the two MOUs expire on June 30, 2001 for the Police Department and June 30, 1999 for the Fire Department.

The Proposed MOU for Airport Police MEA members runs concurrently with the MOU for rank and file Airport Police. The MOU for the rank and file Airport Police was previously approved by the Board of Supervisors in January, 1997.

Each of the three MOUs are based on the previously approved MOUs for rank and file sworn members of the respective departments, with the management classifications in the subject proposed MOUs receiving the same percentage salary increases and fringe benefits as other sworn personnel in the Department. Even though the MOUs for Police and Fire management classifications apply to prior fiscal years, the salaries and benefits reflect amounts that were actually paid based on the February, 1995 arbitration award. Therefore, no retroactive increased expenditures will occur as a result of the Police and Fire MOUs.

Salary provisions for the Police and Fire Department MEA management classifications are shown below.

Bi-Weekly Salaries over the Term of the MOU

					Assis	tant	Deputy	Chief	Assis	stant
Effective Date	Chief of	Asst. Chief of	Chief of	Fire	Deputy (Chief of	of F	ire	Deputy	Chief
	Police	Police	Departm	ent	Fire Dep	artment	Depar	tment	Į.	I
Jul 1, 1992 to										
Feb 24, 1995	\$ 4,759	\$ 4,223	\$ 4	1,759	\$	4,004	\$	4,003	\$	3,254
Feb 24, 1995	5,247	4,635	5	5,247		4,414		4,413		3,588
Jul 1, 1995	5,112	4,635	5	5,112		4,414		4,413		3,588
Jul 1, 1996	5,247	4,839	5	5,247		*		4,502		3,660
Jan 1, 1997	5,431	5,008	5	5,431				4,570		3,715
Jul 1, 1997	5,540	5,108	4	5,540				4,661		3,789
Jan 1, 1998	5,623	5,185		5,623				4,731		3,846
Jul 1, 1998	5,735	5,288	:	5,735				4,826		3,923
Jan 1, 1999	5,821	5,368	4	5,821				4,898		3,982
					* Clas	s Aboli	ished			

Effective Annual Salaries over the Term of the MOU

Effective Date Jul 1, 1992 to	Chief of Police	Asst. Chief of Police	Chief of Fire Department	Assistant Deputy Chief of Fire Department	Deputy Chief , of Fire Department	Assistant Deputy Chief 11
Feb 24, 1995	\$ 124,210	\$ 110,220	\$ 124,210	\$ 104,504	\$ 104,478	\$ 84,929
Feb 24, 1995	136,947	120,974	136,947	115,205	115,179	93,647
Jul 1, 1995	133,423	120,974	133,423	115,205	115,179	93,647
Jul 1, 1996	136,947	126,298	136,947	-	117,502	95,526
Jan 1, 1997	141,749	130,709	141,749	-	119,277	96,962
Jul 1, 1997	144,584	133,323	144,584	-	121,663	98,901
Jan 1, 1998	146,753	135,323	146,753	-	123,487	100,384
Jul 1, 1998	149,688	138,029	149,688	-	125,957	102,392
Jan 1, 1999	151,933	140,100	151,933	-	127,847	103,928

For the period from July 1, 1999 through June 30, 2001, the Police MEA classifications will receive any salary increases granted to other sworn personnel in the Police Department. Such salary increases, if any, would be negotiated under a reopener that exists in the MOU with the sworn members of the Police Department and would be subject to approval by the Board of Supervisors

Fringe benefits would increase under the proposed MOU in accordance with the following table.

	Monthly Employee Health Coverage	Monthly Dependent Health Coverage	Retirement <u>Pickup</u>
1992-93	\$162	\$ 75	1.0%
1993-94	\$178	\$150	3.0%
1994-95	\$197	\$225	5.0%
1995-96	\$175	\$225	4.5%
1996-97	\$197	\$225	7.0%
1997-98	*	\$225	7.0%
1998-99	*	\$225	7.0%

^{*} As prescribed by Charter

BOARD OF SUPERVISORS BUDGET ANALYST

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The Controller's cost estimate for both salaries and benefits (see Attachment), which totals \$740,985 over seven years for the Police and Fire Departments, is summarized in the table below. The Budget Analyst concurs with the Controllers estimate.

Annual Incremental Costs/(Savings)	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	FY 1997-98	FY 1998-99
POLICE DEPARTMENT							
Total Estimated Incremental Costs Over Prior Fiscal Year	\$4,144	\$4,489	\$15,511	\$8,587	\$17,985	\$9,266	\$11,334
% of Salary Base		2.77%	6.62%	3.54%	7.39%	3.78%	4.67%
Annual Amount Above 1991-92 Level Cumulative Total Above 1991-92 Provisions FIRE DEPARTMENT	4,144	10,633	26,144	34,732	52,717	61,984	73,318 \$263,671
Total Estimated Incremental Costs Over Prior Fiscal Year	\$7,781	\$11,963	\$28,056	\$15,319	\$32,080	\$16,528	\$20,217
% of Salary Base		2.86%	6.71%	3.54%	7.39%	3.78%	4.67%
Annual Amount Above 1991-92 Level	7,781	19,744	47,801	63,119	95,198	111,727	131,943
Cumulative Total Above 1991-92 Provisions							\$477,314
Annual Total Incremental Costs Over Prior Fiscal Year- Police and Fire	\$11,925	\$16,452	\$43,567	\$23,906	\$50,065	\$25,794	\$31,551
Total Costs above 1991-92 Police and Fire	\$11,925	\$30,377	\$73,945	\$97,851	\$147,915	\$173,711	\$205,261
Total Cumulative Costs over Seven Years							\$740,985

The Airport Police MEA MOU calls for salary increases as shown in the table below:

Classification	Current	Effective 7/1/96	Effective 1/1/97
		Bi-Weekly Salary	
9218 Chief Bureau of Airport Police 9217 Deputy Chief, Bureau of Airport Police	\$ 3,531 3,346	\$ 4,025 3,659	\$ 4,085 3,714
		Annual Salary	
9218 Chief Bureau of Airport Police 9217 Deputy Chief, Bureau of Airport Police	\$ 92,159 87,331	\$ 105,053 95,500	\$ 106,619 96,935
		Percentage Increase	
9218 Chief Bureau of Airport Police 9217 Deputy Chief, Bureau of Airport Police		14.0% 9.4%	1.5% 1.5%

Memo to Finance Committee February 19, 1997

In addition to the salary increases above, the retirement pickup for Airport Police MEA classifications would increase from the current level of 4% to 7%.

The attached letter from the Controller provides the cost estimate for the 1996-97 Fiscal Year of approximately \$26,000 for the two Airport Police MEA classifications shown above. The Budget Analyst concurs with the estimate of the Controller.

The Airport Police MEA MOU would provide for the salary and benefit increases shown above retroactive to July 1, 1996.

In summary, the total costs of the three MOU are a cumulative amount of \$740,985 over seven years for the Police and Fire Department MEA classifications, and approximately \$26,000 for the Airport Police MEA classifications for Fiscal Year 1996-97 only, for a grand total of \$766,985.

Recommendation:

The proposed ordinances are policy matters for the Board of Supervisors.

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OFFICE OF THE CONTROLLER





Edward Harrington Controller

John W. Madden Chief Assistant Controller

February 13, 1997

Mr. John L. Taylor, Clerk of the Board Board of Supervisors 401 Van Ness Avenue San Francisco, CA 94102

RE: Municipal Executive Association (Police and Fire Management)

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memoranda of Understandings (MOUs) between the City and County of San Francisco and Municipal Executive Association (Police and Fire Management). These agreements cover six employees with a salary base of approximately \$650,000. A summary of our cost analysis is as follows:

Incremental Cost Analysis by Fiscal Year (in thousands)

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Police	\$4.1	\$10.6	\$15.5	\$8.6	\$18.0	\$9.3	\$11.3
Fire	7.8	12.0	28.1	15.3	32.1	16.5	20.2
Total	\$11.9	\$22.6	\$43.6	\$23.9	\$50.1	\$25.8	\$31.5

The agreements would result in annual cost increase ranging from 2.8% to 7.4% over the seven fiscal years. Please see Attachment A and B for specific cost increases by unit and spending categories.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

Edward M. Harrington

Controller

Attachments

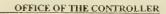
Vicki Rambo, ERD cc:

Harvey Rose, Budget Analyst

Cumulative Total Above 1991-92 Provisions	Annual Amount Above 1991-92 Level	% of Salary Base	Total Estimated Incremental Costs	Dependent Health Pick-Up	Retirement Pick-Up	Wags-Related Fringe Increases	Wage Increases	Annual Incremental Costs/(Savings)	Attachment A MEA-Police Estimated Costs 1992-93 through 1998-99 Controller's Office
	4,144		4,144	1,800	2,344	0	Ф	FY 1992-93	
	10,633	2.77%	8,489	1,800	4,689	0	0	FY 1993-94	
	26,144	6.62%	15,511	1,800	4,689	560	8,462	FY 1994-85	
	34,732	3,54%	8,588	0	(1,217)	585	9,239	FY 1995-96	
	62,717	7.39%	17,885	0	6,121	992	10,872	FY 1996-97	DRAFT
	61,984	3.78%	9,267	0	0	774	8,482	FY 1997-98	
263,671	73,318	4.67%	11,334	0	0	947	10,387	FY 1998-98	

Attachment B MEA-Fire Estimated Costs 1992-93 through 1998-99 Controller's Office

Cumulative Total Above 1991-92 Provisions	Annual Amount Above 1991-92 Level	% of Salary Base	Total Estimated Incremental Costs	Dependent Health Pick-Up	Retirement Pick-Up	Wage-Related Fringe Increases	Wage Increases	Annual Incremental Costs/(SavIngs)
	7,781		7,781	3,600	4,181	0	0	FY 1992-93
	19,744	2.86%	11,963	3,600 .	8,363	0	•	FY 1993-94
	47,801	6.71%	28,057	3,600	8,363	688	15,094	FY 1994-95
	63,119	3,54%	15,318	0	(2,170)	1,009	16,480	FY 1995-96
	95,198	7.39%	32,079	0	10,918	1,769	19,393	FY 1996-97
	111,727	3.78%	16,529	0	0	1,381	15,147	FY 1997-98
477,314	131,943	4.67%	20,216	0	0	1,690	18,527	FY 1998-89





Edward Harrington Controller

John W. Madden Chief Assistant Controller

February 13, 1997

Mr. John L. Taylor, Clerk of the Board Board of Supervisors 401 Van Ness Avenue San Francisco, CA 94102

RE: Municipal Executive Association (Airport Police Management)

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memorandum of Understanding (MOU) between the City and County of San Francisco and Municipal Executive Association (Airport Police Management). This agreement covers two employees with a salary base of approximately \$180,000.

Based on our analysis, the agreement would result in 1996-97 incremental cost of approximately \$26,000 for salary and retirment pick-up cost increases. This represents a 14% increase over their current salary base.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

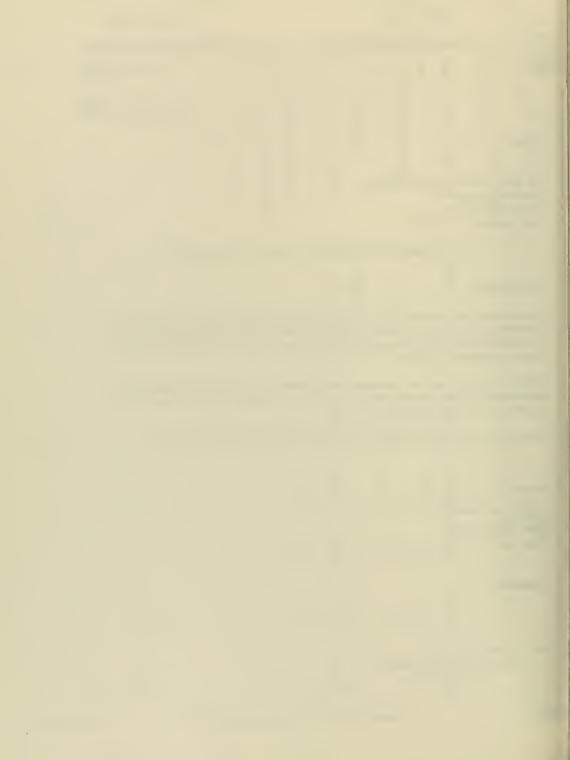
Edward M. Harrington

Controller

Attachments

cc: Vicki Rambo, ERD

Harvey Rose, Budget Analyst



Memo to Finance Committee February 19, 1997 Finance Committee Meeting

Item 8 - File 93-97-6

Department:

Department of Human Resources (HRD)

Item:

Ordinance implementing the provisions of a mediated settlement dated November 20, 1996, between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, and the City and County of San Francisco, providing for the arbitrable terms of implementation of the IT (Information Technology) Study.

Description:

The Civil Service Commission contracted with a consultant in 1990 to perform a classification study of the City's Information Systems (IS) positions Citywide. According to Mr. Rob Kellar of HRD, the Study was initiated because of general dissatisfaction by City departments with the classification structure of IS positions and the fact that many of the existing IS positions were not classified. Attachment I to this report is a report from the then Human Resources Director to the Civil Service Commission, dated June 5, 1996, providing Commission members with information on the background of the Study and the remaining tasks to be completed.

To summarize the content of the HRD report, due to a variety of problems, the efforts of the initial consultant were terminated in 1994. According to Mr. Kellar, a total of \$94,451 had been expended at the time of the termination. A Working Group, consisting of City employees, was then created to develop a classification concept plan and a new consultant was selected under a Request for Proposal process in the amount of \$51,500 in January of 1995 to conduct the Study, according to Mr. Kellar. The Study recommendations were submitted to HRD in September of 1995, after which a review and informal appeal process took place. The results of the Study were posted for classification action by HRD on January 30, 1997. Affected employees and departments had until February 6, 1997, to appeal the recommended classification actions.

According to Mr. Kellar, the Department received a large number of appeals, and is currently processing those appeals, and expects to complete disposition on the appeals, including a second appeal process to the Civil Service Commission, by June of 1997. Upon resolution of the appeals, employees will be appointed in the new classes. Appointments are to be completed in FY 1996-97.

Mr. Kellar reports that the provisions for implementing the results of the classification study were submitted for mediation by the City and Local 21 following failure to resolve certain aspects of the proposed implementation during meet and confer sessions. A mediated settlement agreement (the "Agreement") between the parties was concluded on November 20, 1996.

The proposed legislation would implement the results of the Agreement between the City and Local 21 regarding the implementation of the classification study of the City's Information Systems positions. Significant points of the Agreement are as follows:

- 1. The purpose of the proposed mediated settlement agreement is to implement the results of the classification study with regard to positions represented by Local 21.
- 2. The classification study is scheduled to be implemented on May 17, 1997. In the event that the City believes that the funding agreed to by the parties is insufficient to implement the classification study on that date, the City shall notify the union of such funding deficiency. In that event, the classification study shall be implemented no later than the final pay period of FY 1996-97.
- 3. At the time of the implementation of the Study, provisional employees² shall be awarded the step increases to which they would have been entitled had they become permanent employees at the date of appointment in their current provisional classifications, only if sufficient funds are available at the time of implementation.
- 4. Employees whose salaries would otherwise be reduced as a result of the classification implementation shall continue at their current rates of pay with no further

¹The City and Local 21, per amendment to the MOU between the parties dated May 21, 1996, agreed that the cost of the implementation of the classification study for FY 1996-97 would not exceed 0.5 percent of the payroll calculation for the affected classification.

²Provisional employees are City employees who were not selected from a Civil Service eligible list, but whose positions are subject to be filled from a Civil Service eligible list. Provisional employees retain their provisional status until a Civil Service eligible list is established and they are selected from that list. At that time, they become permanent employees.

increases until such time as their respective salary rates are the same or greater than their current rates of pay.

- 5. Employees who have served more than one year and one day in their current provisional classifications and departments shall serve a probationary period of 60 days in their permanent successor classifications.
- 6. Employees who are permanent in their current classifications shall continue to carryforward accrued seniority in their successor positions. Employees who are provisional in their current classifications, upon becoming permanent in a successor classification, shall carryforward seniority from the appointment date in their most recent respective provisional classification, as if they had been permanent in those respective classifications.
- 7. Classification 1739, Computer Operations Supervisor II, which would be abolished and reclassified as Classification 1005, IS Operations Supervisor, shall not be affected until such time as the present incumbents have vacated or been removed from the classification. However, no new positions shall be allocated to Classification 1739 and no further examinations for that classification shall be administered.
- 8. Classification 1860, Computer Operations Support Supervisor, is scheduled to be reclassified to Classification 1005, IS Operations Supervisor. The lone current employee in Classification 1860 may request reclassification to Classification 1739, Computer Operations Supervisor II, prior to implementation of the reclassifications in lieu of the proposed reclassification to Classification 1005.
- 9. The title of Classification 1070 shall be IS Project Director, and the HRD shall amend the job specifications to be consistent with the classification title, subject to appeal to the Civil Service Commission.
- 10. Regarding the IS classifications, the City agrees to recognize Local 21 as the collective bargaining representative for any classification which constitutes a successor classification to a classification which Local 21 currently represents.

BOARD OF SUPERVISORS BUDGET ANALYST

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- 11. Appointments are to be made, at the nearest step to, but not less than, the employees current salary, not to exceed the maximum of the salary range.
- 12. Arbitrator Walter Kintz, who was retained by the City and Local 21 to mediate the settlement agreement, is to retain jurisdiction over the provisions of the Agreement.

Comments:

- 1. According to Mr. John Madden, Chief Assistant Controller, the Controller's Office concurs with the cost estimate of implementing the classification study of \$1,473,998, annually, referred to in Comment No. 3, but notes that a large number of appeals may significantly alter the final cost of the implementation.
- 2. Based on data provided to the Budget Analyst by HRD, a total of 487 positions would be affected by the proposed reclassifications. Of the 487 affected positions, 439 are currently represented by Local 21 and would continue to be represented by Local 21. The remaining 48 positions are currently represented by other unions or are unrepresented, and would all, under the provisions of the proposed settlement agreement, be represented by Local 21.
- 3. HRD estimates that subject to changes from approximately 200 appeals presently being processed, implementation of classification study would result in total annual salary increases of \$1,473,998, or an average annual salary increase of \$3,027 for the 487 affected positions. According to Mr. Madden, funding for implementation of the reclassifications would be requested in the FY 1997-98 budget.
- 4. Although still under review and subject to revision, the proposed salary increases range from \$0 to \$34,243, annually. In total 58 positions would receive annual salary increases of over \$10,000. Attachment II to this report is a memorandum from Ms. Marini of HRD describing the functions for nine of the positions which would receive annual salary increases in excess of \$15,000. Attachment III to this report, provided by HRD, contains all of the proposed reclassifications and the proposed salary increases associated with each reclassification.

Memo to Finance Committee February 19, 1997 Finance Committee Meeting

5. According to Ms. Vicki Clayton of the City Attorney's Office, the proposed settlement agreement is not a final arbitration award and is not binding unless it is approved by the Board of Supervisors. However, should the Board of Supervisors not approve the mediated settlement, the matter would proceed to binding arbitration.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

City and County of San Francisco



Department of Human Resources

WENDELL L. PRYOR, HUMAN RESOURCES DIRECTOR

BRIEFING PAPER

Date: June 5, 1996

To: Honorable Civil Service Commission

From: Wendell L. Pryor

Human Resources Director

RE: INFORMATION SYSTEMS CLASSIFICATION STUDY

Background:

In 1990 the Civil Service Commission contracted with a consultant group from the Bast coast to perform a classification study of Information Systems (IS) positions Citywide. Various departments requested this study because many of the IS positions were not classified, some positions were budgeted in 'A' classes, in many instances examinations had not been given in a long time, and many positions were occupied by provisional employees who did not receive salary increases or the other benefits of permanent status. Additionally, the current series of job classes was not perceived as adequately serving the needs of departments. The IS classes were associated with a predominately centralized main-frame operation that was now drastically changing to a decentralized environment of personal computer networks with unique applications in user departments. This made it increasingly difficult to attract and retain the level of expertise to meet the City's current and future information system needs.

The IS study begun in 1990, relied extensively on the expertise and staff assistance of the outside consultant. Due to a variety of problems, including a dispute over the acceptability of key deliverables, the project stalled. In 1993 I decided that a different approach was required. A Working Group was established consisting of a project manager from this department, employees recommended by IS managers in key departments, and members of Local 21 and their business representative. The Working Group met over a period of eight months on a regular basis and was successful in reaching consensus on a "class concept plan" that outlined the new job classes that would provide broad classes which would service the IS needs of all departments. This plan was presented to the rest of the IS community and received general approval. Upon completion of this task, the position classification questionnaires (PCQ) on file were redistributed to incumbents and updated, and new PCQs collected for new positions.

Due to a variety of reasons it was determined that a new consultant should be selected to complete the study. David M. Griffith and Associates (DMG) was selected in January of 1995. DMG has worked closely with DHR staff, the Working Group, and a Project Steering Committee.

consisting of key IS managers to reach the project's current stage of near completion. The following tasks have now been completed:

- Validated and amended the classification concept plan
- Reviewed all PCQs and allocated positions to proposed new classes in consultation with affected managers
- Developed classification specifications and a matrix indicating relationships of classes
- Presented the results of allocation process to the managers and incumbents
- Accepted requests for review of allocation recommendations
- Conducted a salary study of comparable IS classes in selected public jurisdictions and presented results to DHR managers
- Presented the results of the consultant's response to requests for review of allocation recommendations to the managers and incumbents. DHR also introduced concepts for the IS training and career opportunity center
- Held initial meet-and-confer sessions with Local 21 regarding salaries for the new classes
 and other issues required to implement the study.

Remaining tasks:

- 1. Posting of Classification Actions Based on the results of the study, DHR staff will post, as recommended actions of the Director of Human Resources, the class specifications of all proposed new classes and classification of all positions in the study. Employees will be notified of the process for appealing these recommendations to the Director.
- 2. Managing of Appeal Process DHR staff will manage the formal appeal process using the expertise of DMG to resolve appeals. Upon review and response to appeals received, DHR will post the Final Actions of the Director of Human Resources. This will consist of the original recommendations and any changes made as a result of the above-mentioned appeals. Appellants will be notified of the process for appealing the Director's Final Actions to the Civil Service Commission.
- Final Report DMG will present a final report to DHR documenting the entirety of the study.
- 4. Related Issues DHR will determine the policy on related issues such as status and the possibility of 'Y' rating, and meet-and-confer with affected unions where necessary.
- 5. Examinations The DHR project team will conduct examinations for all IS classifications established from the study.

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE HUMAN RESOURCES DIMECTOR

Attachment Page 1 of

Date:

February 14, 1997

To:

Stan Jones Budget Analyst

From:

Linda Marini Manager, DHR

Subject:

Information Systems Classification Study

This is written in response to your request for specific information on positions scheduled for significant salary increases. Although you have noted that twelve of the 487 positions to be reallocated to the new series will be compensated at least \$15,000 more than currently budgeted, two of these positions are under review and expected to be reallocated to lower level classes. Additionally the position subject to the greatest salary increase has been vacated and the department has been advised to submit a current job description for review by DHR staff. It is anticipated that the recommendation for this particular job will be revised.

Allocation recommendations for the remaining positions resulted from the study which was begun in 1990 and completed in September, 1995 by the consulting firm of David M. Griffiths and Associates. Although duties of many of the affected positions changed dramatically during that time due to changes in technology and reorganizations, departments did not necessarily adjust budgets to reflect the appropriate classes. For example, it is noted that six of the remaining nine positions are located at the department of Public Health which has experienced significant changes due to implementation of a managed care system. Additionally, significant classification problems and misallocations had occurred within the entire series due to the fact that the existing classifications were archaic and salaries were not competitive within this dynamic field. Also, it is not uncommon to discover misallocated positions during the course of a major study as departments do not always advise Human Resources when new or different duties are assigned to employees.

The consultant's analysis indicated that the essential functions of the remaining positions are consistent with the recommended classes as indicated below:

Budgeted class:

Recommended class:

Essential function:

1370 Special Asst. XI 1043 Engineer- Senior

Responsible for telecommunication network development, engineering and implementation for citywide voice and data communication.

Geoff Rothman

Budgeted Class:	Recommended Class:	Essential function:
1802 Research Asst.	1053 Business Analyst-Sr.	Provides systems support for providers and administrators in Community Substance Abuse Services of DPH.
1720 Data Entry Operator	1013 IS Technician-Sr.	Performs complex problem solving to identify causes of equipment failure within DPH M1S functions
1818 MIS Specialist II	1054 Bus Anal Principal	Oversees difficult and complex systems and telecommunications development and implementation within the Department of Transportation
1819 MIS Specialist III	1044 Engineer Principal	Supervises a staff of network analysts providing support for personal computers, automation and local area networks within the menta health and substance abuse division of DPH
1819 MIS Specialist III	1070 Project Director	Manages, directs and schedules system operations and processing for computer generated posting, claiming, and reporting information for over 200 programs
1819 MIS Specialist III	1070 Project Director	Manages all information systems projects supporting billing activities within the division of substance abuse services within DPH
1874 Sr Prog Analyst	1054 Bus Anal Principal	Manages and provides technical leadership for projects involving billing, quality assurance and managed care for the billing and information systems sections of mental health.
7379 Elec Transit Mech LM\RK\gc	1023 Administrator III	Manages MIS network for the maintenance division of the Department of Transportation
cc: Andrea Gourdine		

Attachment II Page I of 6

Wednesday, February 12, 1997

IS STUDY ESTIMATED ANNUAL SALARY INCREASE BY ALLOCATION Classes to be represented by Local 21

Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class#	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1370	SPECIAL ASSISTANT XI	\$61,726.50	1.00	1043	Engineer-Senior ·	\$76,890.60	\$15,164.10
1370	SPECIAL ASSISTANT XI	\$61,726.50	5.00	1053	Business Analyst-Senior	\$64,519.20	\$2,792.70
1404	CLERK	\$32,598.90	1.00	1002	Operator-Journey	\$36,722.70	\$4,123,80
1426	SENIOR CLERK TYPIST	\$37,088.10	1.00	1002	Operator-Journey	\$37,088.10	\$0.00
1640	SENIOR ACCOUNTING MACHINE OPERATOR	\$44,317.80	4.00	1021	Administrator I	\$44,317.80	\$0.00
1720	DATA ENTRY OPERATOR	\$30,354.30	1.00	1013	Technician-Senior	\$49,563.90	\$19,209.60
1734	COMPUTER OPERATOR I	\$30,928.50	-1.00	1002	Operator-Journey	\$36,722.70	\$5,794.20
1734	COMPUTER OPERATOR I	\$30,928.50	1.00	1003	Operator-Senior	\$42,047.10	\$11,118.60
1736	COMPUTER OPERATOR II	\$34,530.30	20.00	1002	Operator-Journey	\$36,722,70	\$2,192.40
1736	COMPUTER OPERATOR II	\$34,530.30	1.00	1003	Operator-Senior	\$42,047.10	\$7,516.80
1736	COMPUTER OPERATOR II	\$34,530.30	2.00	1021	Administrator I	\$42,647,40	\$8,117.10
1737	SENIOR COMPUTER OPERATOR	\$39,880.80	-9.00	1003	Operator-Senior	\$42,047.10	\$2,166.30
1737	SENIOR COMPUTER OPERATOR	\$39,880.80	1.00	1004	Operator-Analyst	\$46,066. 50	\$6,185.70
1738	COMPUTER OPERATIONS SHIFT SUPERVISOR	\$47,214.90	1.00	1003	Operator-Senior	\$47,214.90	\$ 0. 0 0
1738	COMPUTER OPERATIONS SHIFT SUPERVISOR	\$47,214.90	4.00	1005	Operator-Supervisor	\$51,286.50	\$4,071.60
1739	COMPUTER OPERATIONS SUPERVISOR II	\$60,525.90	3.00	1005	Operator-Supervisor	\$60,525.90	\$0.00
1741	COMPUTER OPERATIONS SUPERVISOR I	\$48,363.30	1.00	1005	Operator-Supervisor	\$51,286.50	\$2,923.20
1780	ASST CHIEF, COMPUT OPER AND SUPPORT SERV	\$63,266.40	1.00	1022	Administrator II	\$63,266.40	\$0.00
1780	ASST CHIEF, COMPUT OPER AND SUPPORT SERV	\$63,266.40	1.00	1023	Administrator III	\$63,266.40	\$0.00
1802	RESEARCH ASSISTANT	\$44,317.80	1.00	1053	Business Analyst-Senior	\$84,519.20	\$20,201.40
1804	STATISTICIAN	\$47,684.70	1.00	1052	Business Analyst	\$55,723.50	\$8,038.80
1807	MANAGEMENT INFORMATION SYSTEMS TECH II	\$30,928.50	4.00	1002	Operator-Journey	\$33,722.70	\$5,794.20
1807	MANAGEMENT INFORMATION SYSTEMS TECH II	\$30,928.50	5.00	1003	Operator-Senior	\$42,047.10	\$11,118.60

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Page 2

Wednesday, February 12, 1997

IS STUDY ESTIMATED ANNUAL SALARY INCREASE BY ALLOCATION Classes to be represented by Local 21

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Current Class#	Class Titlo	Current Annual Salary-step 5	Position Count	New Class#	New Class Titlo	Proposed Annual Salary-step 5	Annual Increase
1807	MANAGEMENT INFORMATION SYSTEMS TECH II	\$30,928.50	1.00	1011	Technician-Assistant	\$32,598.90	\$1,670.40
1807	MANAGEMENT INFORMATION SYSTEMS TECH II	\$30,928.50	4.00	1012	Technician-Journey	·\$42,856.20	\$.11,927.70
1808	MANAGEMENT INFORMATION SYSTEMS TECH I	\$28,005.30	2.00	1002	Operator-Journey	\$36,722.70	\$8,717.40
1808	MANAGEMENT INFORMATION SYSTEMS TECH I	\$28,005.30	1.00	1003	Operator-Senior	\$42,047.10	\$14,041.80
1808	MANAGEMENT INFORMATION SYSTEMS TECH I	\$28,005.30	3.00	1012	Technician-Journey	\$42,856.20	\$14,850.90
1808	MANAGEMENT INFORMATION SYSTEMS TECH I	\$28,005.30	1.00	1424	Clerk Typist	\$33,877.80	\$5,872.50
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	1.00	1012	Technician-Journey	\$42,856.20	\$208.80
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	15.00	1021	Administrator I ·	\$42,647.40	\$0.00
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	7.00	1022	Administrator II	\$51,808.50	\$9,161.10
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	1.00	1031	Trainer-Assistant	\$42,647.40	\$0.00
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	1.00	1042	Engineer-Journey	\$69,426.00	\$26,778.60
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647,40	1,00	1043	Engineer-Senior	\$76,890.60	\$34,243.20
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	2.00	1051	Bus Analyst-Assistant	\$48,128.40	\$6,481.00
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I	\$42,647.40	1.00	1052	Business Analyst	\$55,723.50	§13,076.10
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II	\$51,808.50	4.00	1021	Administrator I	\$51,808.50	\$0.00
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II	\$51,808.50	42.00	1022	Administrator II	\$51,808.50	\$0.00
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II	\$51,808.50	3.00	1023	Administrator III	\$62,953.20	\$11 ,144.7 0
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II	\$51,808.50	2.00	1032	Trainer-Journey	\$51,808.60	\$0.00
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II	\$51,808.50	2.00	1033	Trainer-Senior	\$62,953.20	\$11,144.70
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Page 3

Wednesday, February 12, 1997

IS STUDY ESTIMATED ANNUAL SALARY INCREASE BY ALLOCATION Classes to be represented by Local 21

New Class Title Proposed Annual Current Class Title Current Position New Class# Annual Increase Annual Count Class# Salary-step 5 Salary-step 5 Engineer-Assistant \$62,666,10 \$10.857.60 1818 MANAGEMENT INFO SYSTEMS \$51,808,50 1.00 1041 SPECIALIST II... \$82,710.90 MANAGEMENT INFO SYSTEMS \$51,808,50 1.00 1044 \$30,902.40 Engineer-Principal 1818 SPECIALIST II... MANAGEMENT INFO SYSTEMS SPECIALIST II... \$51,808,50 4.00 1052 **Business Analyst** \$55,723,50 \$3,915.00 1818 MANAGEMENT INFO SYSTEMS SPECIALIST II... 1818 \$51,808,50 2.00 1053 Business Analyst-Senior \$64,519.20 \$12,710.70 MANAGEMENT INFO SYSTEMS SPECIALIST II... \$51,808.50 1.00 1054 Bus Analyst-Principal \$74,698.20 \$22,889.70 1818 MANAGEMENT INFO SYSTEMS \$51,808,50 1.00 1063 \$58,203,00 \$6,394.50 Programmer 1818 SPECIALIST II... Analyst-Senior MANAGEMENT INFO SYSTEMS \$63,005.40 1819 \$62,953.20 6.00 1022 Administrator II \$52.20 SPECIALIST III.. 1819 MANAGEMENT INFO SYSTEMS SPECIALIST III.. \$62,953,20 26.00 1023 Administrator III \$62,953.20 \$0.00 MANAGEMENT INFO SYSTEMS SPECIALIST III.. 1819 \$62,953,20 4.00 1024 Administrator-Supervisor \$67,755.60 54.802.40 1819 MANAGEMENT INFO SYSTEMS SPECIALIST III.. \$62,953,20 5.00 1033 Trainer-Senior \$0.00 \$62,953,20 1819 MANAGEMENT INFO SYSTEMS SPECIALIST III.. \$62,953,20 7.00 1042 \$69,426,00 Engineer-Journey \$6,472,80 1819 MANAGEMENT INFO SYSTEMS SPECIALIST III.. \$76,890.60 \$62,953,20 2.00 1043 Engineer-Senior \$13,937,40 MANAGEMENT INFO SYSTEMS SPECIALIST III.. 1819 \$62,953,20 1.00 1044 Engineer-Principal \$82,710.00 \$19,767,70 1819 MANAGEMENT INFO SYSTEMS SPECIALIST III.. \$62,953,20 2.00 1052 \$62,953,20 \$0.00 **Business Analyst** 1819 MANAGEMENT INFO SYSTEMS SPECIALIST III.. \$62,953,20 1.0011053 **Business Analyst-Senior** \$64,519,20 \$1,566,00 MANAGEMENT INFO SYSTEMS SPECIALIST III... 1819 \$62,953,20 8.00 1054 Bus Analyst-Principal \$74,698,20 8.11,745.00 MANAGEMENT INFO SYSTEMS \$78,430.50 1819 \$62,953.20 2.00 1070 Project Director \$15,477,30 SPECIALIST III... 1821 Bus Analyst-Principal MANAGEMENT INFO SYSTEMS \$72,897,30 1.00 1054 \$74,698.20 \$1,800.90 MANAGER

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1821

MANAGEMENT INFO SYSTEMS

MANAGER

\$5,533,20

\$78,430,50

8.00 1070

Project Director

\$72.897.30

Wednesday, February 12, 1997

IS STUDY ESTIMATED ANNUAL SALARY INCREASE BY ALLOCATION Classes to be represented by Local 21

Page 4

	Classes to be represented by Local 21								
Current Class#	Class Title	Current Annual Salary-step δ	Position Count	New Class#	New Class Title	Proposed Annual Salary-step 5	Annual		
1853	CONTROL CLERK, EDP	\$35,026.20	5.00	1002	Operator-Journey	\$38,722.70	\$1,696.50		
1853	CONTROL CLERK, EDP	\$35,026.20	1.00	1003	Operator-Senior	\$42,047.10	\$7,020.90		
1853	CONTROL CLERK, EDP .	\$35,026.20	1.00	1012	Technician-Journey	\$42,856.20	\$7,830.00		
1853	CONTROL CLERK, EDP	\$35,028.20	1.00	1061	Prog Analyst-Assistant	\$44,317.80	\$9,291.60		
1855	SENIOR CONTROL CLERK, EDP	\$38,549.70	3.00	1002	Operator-Journey	\$38,649.70	\$0.00		
1855	SENIOR CONTROL CLERK, EDP	\$38,549.70	1.00	1003	Operator-Senior	\$42,047.10	\$3,497.40		
1856	ASST CONTROL SUPERVISOR, EDP	\$41,446.80	1.00	1002	Operator-Journey	\$41,446.80	\$0.00		
1856	ASST CONTROL SUPERVISOR, EDP	\$41,446.80	1.00	1003	Operator-Senior	\$42,047.10	\$600.30		
1858	CONTROL SUPERVISOR, EDP	\$46,980.00	2.00	1005	Operator-Supervisor	\$51,286.50	\$4,306.50		
1858	CONTROL SUPERVISOR, EDP	\$48,980.00	1.00	1051	Bus Analyst-Assistant	\$48,128.40	\$1,148.40		
1860	COMPUTER OPERATIONS SUPPORT SUPERVISOR	\$60,525.90	1.00	1005	Operator-Supervisor	\$60,525.90	\$0.00		
1860	COMPUTER OPERATIONS SUPPORT SUPERVISOR	\$60,525.90	1.00	1024	Administrator-Şupervisor	\$67,755.60	\$7,229.70		
1861	SYSTEMS AND PROCEDURES ANAYLST, SPEC PRO	\$55,723.50	1.00	1023	Administrator III .	\$62,953.20	\$7,229.70		
1862	SYSTEMS AND PROCEDURES ANALYST	\$55,723.50	1.00	1042	Engineer-Journey	\$69,426.00	\$13,702.50		
1862	SYSTEMS AND PROCEDURES ANALYST	\$55,723.50	5.00	1052	Business Analyst	\$55,723.50	\$0.00		
1862	SYSTEMS AND PROCEDURES ANALYST	\$55,723.50	1.00	1053	Business Analyst-Senior	\$64,519.20	\$0,795.70		
1863	SR SYS AND PROCEDURES ANALYST, SPEC PROJ	\$64,519.20	1.00	1053	Business Analyst-Senior	\$64,519.20	\$0.00		
1863	SR SYS AND PROCEDURES ANALYST, SPEC PROJ	\$64,519,20	1.00	1054	Bus Analyst-Principal	\$74,698.20	§.10,179.00		
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	1.00	1005	Operator-Supervisor	\$64,619.20	\$0.00		
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	1.00	1022	Administrator II	\$64,519.20	\$0.00		
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20		1023	Administrator III	\$64,519.20	\$0.00		
1864	SR SYSTEMS AND PROCEDURES ANALYSY	\$64,519.20	1.00	1024	Administrator-Supervisor	\$67,755.60	\$3,236.40		
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Wednesday, February 12, 1997

IS STUDY ESTIMATED ANNUAL SALARY INCREASE BY ALLOCATION Classes to be represented by Local 21

Page 5

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9.20 \$6,316.20
8.20 \$16,495.20
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5.60 \$9,552.60
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Wednesday, February 12, 1997

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IS STUDY ESTIMATED ANNUAL SALARY INCREASE BY ALLOCATION Classes to be represented by Local 21

	rront ass#	Class Title	Current Annual Salary-step 5	Position Count	New Class#	New Class Title	Proposed Annual Salary-step 5	Aunual Increase
18	75	SENIOR SYSTEMS PROGRAMMER	\$76,890.60	1.00	1023	Administrator III	\$76,890.60	\$0.00
18	75	SENIOR SYSTEMS PROGRAMMER	\$76,890.60	19.00	1043	Engineer-Senior	\$76, 890.G0	\$0.00
18	75	SENIOR SYSTEMS PROGRAMMER	\$76,890.60	3.00	1044	Engineer-Principal	\$82,710.90	\$4,820.30
18	76	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$67,755.60	1.00	1042	Engineer-Journey	\$69,426.00	\$1,670.40
18	76	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$87,765.60	3.00	1044	Engineer-Principal	\$82,710.90	\$14,955.30
18	76	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$67,755.60	4.00	1054	Bus Analyst-Principal	\$74,698.20	\$6,942.60
18	76	DATA PROCES PROGRAMMING AND BYSTEMS SUPV	\$67,765.60	10.00	1064	Prog Analyst-Principal	\$67,755.60	\$0.00
18	77	SUPERVISING SYSTEMS PROGRAMMER	\$85,164.30	3.00	1044	Engineer-Principal	\$85,164.30	\$0.00
23	20	REGISTERED NURSE	\$60,473.70	1.00	1054	Bus Analyst-Principal	\$74,698.20	\$14,224.50
36	16	LIBRARY TECHNICAL ASSISTANT I	\$43,900.20	1.00	1013	Technician-Senior	\$49,563.90	\$5,663.70
73	79	ELECTRICAL TRANSIT MECHANIC	\$47,684.70	1.00	1023	Administrator III	\$62,953.20	\$16,268.60
A1	114	MANAGEMENT INFO SYSTEMS MANAGER	\$79,213.50	1.00	1070	Project Director	\$79,213.50	\$0.00
A7	752	DATA COMM. SYSTEMS ANALYST SUPER	\$73,575.90	1.00	1044	Engineer-Principal	\$82,710.90	\$9,135.00
AS	978	SENIOR DATABÁSE ADMINISTRATOR	\$71,435.70	1.00	1044	Engineer-Principal	\$62,710.90	\$11,275,20
L							•	



Memo to Finance Committee February 19, 1997

Item 9 - File 27-97-2

Department: Airport Commission

Item: Resolution approving a Declaration of Emergency for the

electrical connection of the Airport's Station BA to United Airline's Co-Generation Plant, and approving the Controller's action in reserving \$4,500,000 from the Airport's Capital

Funds.

Amount: \$4,500,000

Source of Funds: Airport Capital Projects Fund

Description: The Airport receives electrical power from Pacific Gas &

in excess of FY 1996-97 budgeted revenues.

Electric Company's (PG&E) electric transmission network at two locations: Station BA in San Bruno and Station M in Millbrae. According to Mr. Jackson Wong of the Airport, PG&E experienced a major electrical power outage on August 10, 1996 that resulted in substantial power loss to several western states. The Airport was without electrical power for approximately 4 hours, and according to Mr. Joe Birrer of the Airport, the Airport incurred an estimated revenue loss of \$500,000 due to the lack of power. Mr. Birrer reports that the Airport's tenants, including the airlines and the concessionaires, incurred an estimated \$18,500,000 loss. Attachment I, provided by the Airport, documents that the loss in projected revenue incurred by the Airport from the power outage will not impact the Airport's budget because actual Airport revenues at the time of the power outage were

Mr. Wong reports that United Airlines (UAL) has an electrical co-generation plant at their Maintenance and Operations Center which has sufficient capacity to both supply UAL's facilities and provide power to supply the existing Airport terminal buildings. According to Mr. Wong, in the event of another major electrical power outage, a connection to this electrical power source could keep the existing terminal portion of the Airport operational until PG&E restores power.

In accordance with Administrative Code Section 6.30, the Airport Commission declared an emergency on August 16, 1996 in order to begin the work necessary to establish a connection between the Airport's Station BA and UAL's cogeneration plant.

According to Mr. Wong, establishing an electrical connection between Station BA and UAL's co-generation plant involves

Memo to Finance Committee February 19, 1997

digging ducts of various sizes between Station BA and UAL's co-generation plant, installing a conduit, encasing the conduit in concrete, and then running electrical wire through the conduit.

After an expedited competitive bidding process in accordance with Administrative Code Section 6.30, the Airport awarded a contract to Barri Electrical Company based on the low bid amount of \$3,246,283. Barri Electrical Company is a MBE contractor.

Although construction of the electrical connection has not yet begun, Mr. Baljit Boparai, Senior Electrical Engineer for the Airport, reports that preparatory design work was initiated in September of 1996. According to Mr. Boparai, on-site construction work is scheduled to begin on February 12, 1997 and be completed by October of 1997.

Budget:

The estimated costs and scope of work are as follows:

Item Description	Estimated Costs
15,000 Volt Cable Wire	\$577,395
Duct Bank (5" C)	1,179,640
Duct Bank (4" C)	845,530
Pavement Excavation	87,373
Pavement Replacement	165,105
Manhole, Type I	72,320
Manhole, Type II	318,920
Total Estimated Costs	\$3,246,283

Comments:

1. The results of the bidding process were as follows:

<u>Contractor</u>	Bid
Barri Electrical Company	\$3,246,283
Rosendin Electric, Inc.	\$4.123.084

Mr. Boparai reports that one of the three contractors solicited by the Airport did not respond the Airport's request for an Invitation to Bid.

2. According to Mr. Birrer, anticipated construction work not included in the bid, including new switchgear modifications and disposal of contaminated soil and water, cannot be accurately priced by Barri Electrical Company until the work specified in the bid is complete. Mr. Birrer advises that these services are estimated by the Airport to cost \$1,253,717 (see Attachment II). Mr. Birrer reports that the requested reserve in this proposed ordinance was estimated by adding the bid amount of \$3,246,283, together with the estimated

Memo to Finance Committee February 19, 1997

costs of additional services in the amount of \$1,253,717, for an approximate total of \$4.5 million.

3. Attachment III is a memorandum from the Airport explaining the complications involved in the design and construction of this project, along with other factors which have made construction start impossible until now.

Recommendation: Approve the proposed resolution.

AIRPORT COMMISSION SAN FRANCISCO INTERNATIONAL AIRPORT CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO:

Jenelle Welling Budget Analyst Date: 02/6/97

From:

Joseph Birrer TAB

Project Manager

Subject:

Airport Contract No. 3712

Connection of United Airlines (UAL) Co-Gen to Station BA (Emergency)

Loss of Revenue Due to Power Failure

The total monetary loss incurred during the August 10, 1996 power outage was \$19,000,000. This loss can be broken down into airline losses, concessionaire losses and Airport Commission losses. The following is the breakdown:

Airline Losses

\$16,500,000

Concessionaire Losses

\$2,000,000

Airport Commission Losses

\$500,000

Total Losses

\$19,000,000

Per a conversation with Marcus Perro of the Airport's Business and Finance Section, the \$500,000 loss reported by the Airport Commission represents a loss in projected revenue. It will have no affect on the Airport's operational budget or its financial commitments to the City's budget, as at the time of the power failure the Airport was more than \$500,000 ahead of its minimum projected budget.

cc:

B.Boparai M.Perro

J.Birrer

File

Date: 02/6/97

AIRPORT COMMISSION SAN FRANCISCO INTERNATIONAL AIRPORT CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO:

Jenelle Welling

Budget Analyst

From:

Joseph Birrer JAB

Project Manager

Subject:

Airport Contract No. 3712

Connection of United Airlines (UAL) Co-Gen to Station BA (Emergency)

Construction Budget Versus Bid Amount

The Airport estimated the construction of this contract to be \$4,500,000 and requested this amount in our declaration of emergency. In order to select a contractor we approximated the quantity of infrastructure to be constructed and cable to be installed, then asked several contractors to give us a bid on this work. The contractor with the low bid was Barri Electric Inc., at \$3,246,283.10, as you know from the previous bid data we provided.

The work we approximated to establish a bid price was the known work. In addition to this work, there is work we anticipated but still don't know what the costs might be. Those costs include: new electrical switchgear; modifications to existing electrical switchgear; disposal of contaminated water and soil; unknown excavation problems, especially along the Old Bayshore Freeway; repair of any utilities damage during construction and 7% for truly unanticipated conditions. Below I have shown an estimated break-down of the construction budget.

Construction Description	Construction Costs
Contractor's Bid For Known Work	\$3,246,283.10
New Electrical Switchgear & Switchgear Modifications	\$200,000*
Disposal of Contaminated Soil & Water	\$500,000*
Unknown Excavation Problems	\$300,000*
Unanticipated Conditions	\$253,716.90 [*]
Total Construction Budget	\$4,500,000.00

AIRPORT COMMISSION SAN FRANCISCO INTERNATIONAL AIRPORT CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO:

Jenelle Welling

Budget Analyst

Date: 02/7/97

From:

Joseph Birrer JAB

Project Manager

Subject:

Airport Contract No. 3712

Connection of United Airlines (UAL) Co-Gen to Station BA (Emergency)

Delays In Construction Start

The start of construction on this contract has been delayed for the following reasons:

- The contractor with the low bid selected to perform the construction was working on another
 critical Master plan contract which made them unavailable until the end of November.
- Alignment of duct banks in relation to the Airport's wetlands area took considerable planning.
 Several routing options with different time lines were explored before the final alignment was chosen. Only then could the design proceed.
- 3. In order not to duplicate work and build the infrastructure required for the Co-Gen connection in the most cost effective manner, the design of this contract had to be coordinated with the design of several other West Field, Capitol Improvement Projects. The concurrent designs of the West Field and Co-Gen projects have only recently been completed.
- The rains during December and early January slowed all construction involving excavation at the Airport.
- 5. A power cable failed which fed all Airport tenants on the frontage road south of the terminal complex. Although both projects are important, this emergency was more urgent since the tenant facilities were running on the Airport's portable emergency generators, and the Airport staff was working overtime to maintain power to the tenants. This cable failure took me off of the Co-Gen project for most of January.

Design of Phase I is now complete and the Contractor has currently started construction.

cc:

B.Boparai

J.Birrer

File

Memo to Finance Committee February 19, 1997 Finance Committee Meeting

Item 10 - File 101-96-42

Note: This item was continued by the Finance Committee at its meeting of

February 12, 1997.

Department: Department of Public Health (DPH)

Item: Ordinance appropriating \$62,310, Department of Public

Health, of new State Tobacco Tax (AB 75) revenues, and reallocating \$406,081 between various community health services and San Francisco General Hospital Tobacco Tax appropriations to reflect current expenditure plans, including \$229,744 of Tobacco Tax revenues for fringe benefits at San

Francisco General Hospital.

Amount: \$62,310 in new AB 75 funds to be appropriated;

\$406,081 in previously budgeted funds to be reallocated.

Source of Funds: State Tobacco Tax (Prop 99/AB 75) revenues

Description: The California Healthcare for Indigents Program (CHIP) is a

State program to provide medical care to persons unable to afford to pay for health care services. CHIP funds are derived from State Tobacco Tax (AB 75) revenues and are used to reimburse participating hospitals (county and non-county) for inpatient, outpatient, and emergency services, and also to reimburse participating private physicians for emergency, obstetric, and pediatric services provided to indigent persons. A portion of these funds is also used to pay DPH for the cost

of administering the program.

The Department of Public Health's (DPH) current FY 1996-97 budget appropriated \$9,017,274 in State Tobacco Tax revenues for the CHIP program. Subsequently, the State issued its final allocations for the current year indicating that the City will instead receive a total of \$9,079,584 in CHIP program funds in the current year, or \$62,310 more than was appropriated in the budget. In addition, the State's final allocation formula for 1996-97 CHIP program funds reflects a reallocation of \$406,081 in previously appropriated CHIP funds.

Because of the State revisions to the CHIP allocation formula for FY 1996-97, the Department of Public Health has submitted a supplemental appropriation request which would (1) appropriate \$62,310 in additional CHIP funds received from the State by DPH for FY 1996-97, and (2) reallocate a total of \$406,081 among the City's CHIP subaccounts for the current year (see Comment 1). According to DPH, the

purpose of the proposed ordinance is to "bring our revenue and expenditure budget in line with the State's total allocation for the current year."

The attachment to this report shows the proposed changes in the City's allocation of CHIP funds for FY 1996-97. The attachment shows (1) the allocation which was originally adopted in the 1996-97 budget for \$9,017,274 in CHIP funds, as well as (2) the proposed allocation of the revised total amount of \$9,079,584 in CHIP funds which DPH will receive in FY 1996-97 (which includes a \$62,310 increase in State CHIP funds to DPH).

Budget:

See Attachment

Comments:

1. As shown in the attachment, DPH recommends the following changes in the amount and allocation of the City's CHIP funds for FY 1996-97. The net fiscal effect of each of these changes is as follows:

1. Reduce funds to Non-County Hospitals:

Net effect

• Decrease formula-based CHIP reimbursements to non-County hospitals for medical service contracts by \$91,122 (from \$211,199 to \$120,077); (\$91,122)

 Decrease discretionary CHIP reimbursements to non-County hospitals for medical service contracts by \$81.098;

contracts by \$81,098; (81,098) Subtotal (decrease to non-County hospitals): (\$172,220)*

2. Change source and amount of administrative and overhead charges

• Decrease the amount charged to other County Health Services for DPH Central Office overhead and administration by \$10,024.

(10,024)*

3. Increase appropriations to SF General Hospital

 Increase CHIP revenues to San Francisco General Hospital by \$244,554, from \$6,229,454 previously budgeted to \$6,474,008; allocate the additional funds for fringe benefits and DPH administrative costs;

SFGH fringe benefits \$229,744 Central Office - Admin. 14,157 Central Office - Overhead 653

Subtotal (increase to SFGH):

244,554

4. Reallocate funds for Physician Services

• Reduce the Physicians Emergency Medical Services (EMS) Fund in the amount of \$213,813; (\$213,813)*

 Increase the Physician Services - New Contracts fund by \$213,813.
 213,813

5. Change source of funds for Professional Services:

 Decrease discretionary CHIP reimbursements to non-County hospitals for professional services by \$10,024;

(10,024)*

 Increase CHIP reimbursements to other county health services (i.e. providers other than the County hospital) for professional services;

10,024

Net effect of AB 75 proposed reallocations

(\$62,310)

• Increase 1996-97 AB 75 Appropriation Amount Increase total State CHIP revenues to San Francisco by \$62,310, (from \$9,017,274 to \$9,079,584), representing the appropriation of \$62,310 in new CHIP funding for the current year.

62,310

Net change

0

The Controller has determined that the total amount of funds to be reallocated would be \$802,138, based on the total of all changes shown above (rather than the net changes shown). The Budget Analyst concurs with the Controller's calculation of the amount to be reallocated.

- 2. The calculations shown above (at Comment 1) reflect that, as a result of this proposed reallocation of \$406,081 in previously budgeted CHIP funds and the appropriation of \$62,310 in additional CHIP funds for 1996-97, there will be no net fiscal impact of the proposed appropriation ordinance on the City's General Fund.
- 3. As previously noted, \$244,554 will be reallocated from other programs to San Francisco General Hospital as a result of the proposed ordinance; of this amount, \$229,744 will be used for fringe benefits. According to Ms. Monique Zmuda, Chief Financial Officer for DPH, SFGH has experienced a shortfall in FY 1996-97 budgeted funds to pay fringe benefits

^{*} Net amount to be reallocated is \$406,081.

Memo to Finance Committee February 19, 1997 Finance Committee Meeting

at SFGH because of a \$3.5 million 1995-96 budget error involving fringe benefits at SFGH, which has continued to affect the budget in the current 1996-97 Fiscal Year. Ms. Zmuda indicates that DPH will submit another supplemental appropriation request in the near future in order to reallocate additional FY 1996-97 non-General Fund monies to correct remaining shortfalls at SFGH.

4. In summary, approval of this request will properly account for DPH California Healthcare for Indigents Programfunds for 1996-97.

Recommendation: Approve the proposed ordinance.

Harvey M. Rose

Supervisor Leal cc: President Kaufman Supervisor Brown Supervisor Ammiano Supervisor Bierman Supervisor Katz Supervisor Medina Supervisor Newsom Supervisor Teng Supervisor Yaki Supervisor Yee Clerk of the Board Controller Steve Agostini Stephen Kawa Ted Lakev

Attachment

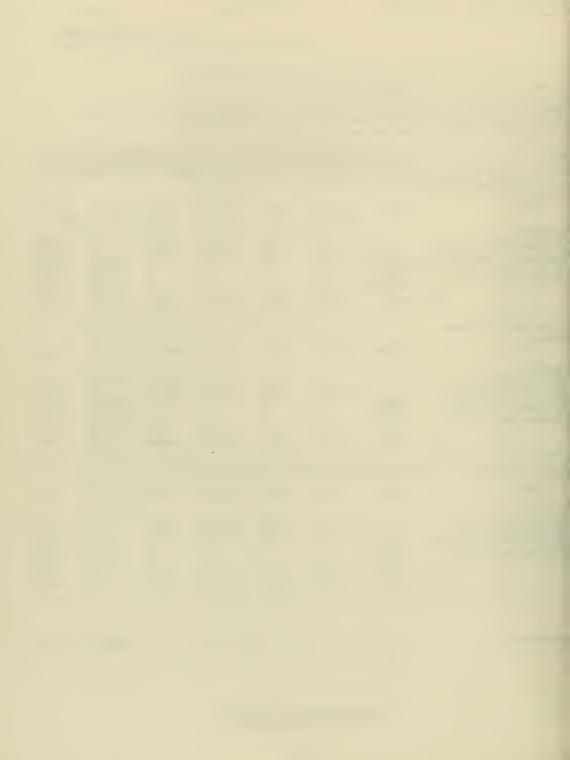
FY 1996-97 AB75/CHIP REVENUES & EXPENDITURES ANALYSIS

Comparison of FY 98-97 Board Approved Budget and FY 96-97 State Allocations, w/ Budgeted Amount for RTO CO-Overhead, Adjusted to Reconcile with Prop 99 Administrative Budget, and Shift of Physician Services EMS Fund To Physician Services-New Contracts

Sub- object	Description	County	Non-County Hosp,-Form,	Non-County	Phys. Svcs.		Other Cty. Hith Syce.	Total
	RD APPROVED BUDGE							
Revenues:	10 74 1 110 120 110 110 110 110 110 110 110 1	• •						
AB 75		6,229,454	211,199	211,199	539,627	112,000	1,713,795	9,017,274
Expenditures:								
02700 Profes	alonal Services	0	. 0	23,232	53,963	11,200	55,402	143,797
02700 Medica	al Service Contract	0	211,199	187,967	485,684	100,800	0	985,630
0935H Reven	ue Transfer to SFGH	5,852,203		•	0	0	1,610,009	7,482,213
0951G Rev. T	rans. to CO-Admin.	327,415	0	0	. 0	0	34,674	382,089
0951G Rev. T	rans, to CO-Over.	49,836	0	0	0	0	13,710	63,546
	Total:	6,229,454	211,199	211,199	539,627	112,000	1,713,795	9,017,274
V 06.07 STAT	E ALLOCATIONS		,					
Revenues:	E ALLOGATIONS							
AB 75		6,474,008	120,077	120,077	325,814	325,813	1,713,795	9,079,58
Expenditures:								
	sional Services	c	. 0	13,208	32,582	32,581	65,426	143.79
	al Service Contract	č			293,232	293,232	0	813,410
	ue Transfer to SFGH	6.081.947			0	255,252	1,610,009	7,691,95
	rens. to CO-Admin.	341.572		•	ő	ő	24,994	366,56
	rahs, to CO-Over,	50,489		_	Ö	Ö	13,366	63,85
	Total:	6,474,008	120,077	120,077	325,814	325,813	1,713,795	9,079,58
	BETWEEN FY 96-97 B	DARD APPF	ROVED BUDG	ET AND FY 95-	97 STATE ALL	OCATIONS		
Revenues:		044.55	104 100	104 422	1042 0421	242.042	•	20.04
AB 75		244,554	(91,122	(91,122)	(213,813)	. 213,813	0	62,31
Cunandia								
Expenditures:	nional Canina			/40.034)	(21,381)	24 204	10,024	
	ssional Services	((,,		21,381	•	(470.00
	al Service Contract	000.74	, , , , , , , , ,		(192,432)	192,432	0	(172,22
	ive Transfer to SFGH	229,744		•	0	_	(0.600)	229,74
	rans. to CO-Admin.	14,157		0	0	0	(9,680)	4,47
0951G Rev. T	rans to CO-Over.	653	- C	0	0	0	(344)	.30
	Total:	244,554	(91,122	(91,122)	(213,813)	213,813	0	62,31

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MINUTES

FINANCE COMMITTEE **BOARD OF SUPERVISORS** CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, FEBRUARY 26, 1997 - 1:00 P.M.

VETERANS BUILDING **401 VAN NESS AVENUE**

ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK:

ROSEMARY LITTLE-HORANZY

Meeting Convened: 1:00 p.m.

Present:

Supervisors Leal, Kaufman, Brown

File 101-96-47. [Appropriation, District Attorney] Ordinance appropriating 1. \$94,376, District Attorney's Office, from the General Fund Reserve, for salaries and fringe benefits for the creation of three (3) positions to expand the Domestic Violence Unit, for fiscal year 1996-97; companion measure to File 102-96-10. RO #96229. (Supervisor Kaufman) (COMPANION TO THE FOLLOWING FILE.)

SPEAKERS:

Terence Hallinan, District Attorney: Susan Breall, Managing

Attorney, District Attorney, Domestic Violence Unit

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. Amend page 1, by replacing "\$94,376" with "\$82,727" wherever it appears on this page; amend line 20, by replacing "\$76,728" with "\$67,258"; amend line 22, by replacing "\$17,648" with "\$15,469". (See

new title below.)

NEW TITLE: "Ordinance appropriating \$82,727, District Attorney's Office, from the General Fund Reserve, for salaries and fringe benefits for the creation of three (3) positions to expand the Domestic Violence Unit, for fiscal year 1996-97; companion measure to File 102-96-10.

RO #96229. (Supervisor Kaufman)"

File 102-96-10. [Salary Ordinance Amendment, District Attorney] Ordinance 2. amending Ordinance No. 298-96 (Annual Salary Ordinance, 1996/97), District Attorney's Office, Domestic Violence Unit, reflecting the creation of three (3) positions (Class 8178 Senior Attorney (2), and Class 8180 Principal Attorney (1)); companion measure to File 101-96-47. (Supervisor Kaufman) (COMPANION TO THE PRECEDING FILE.)

SPEAKERS:

Terence Hallinan, District Attorney; Susan Breall, Managing

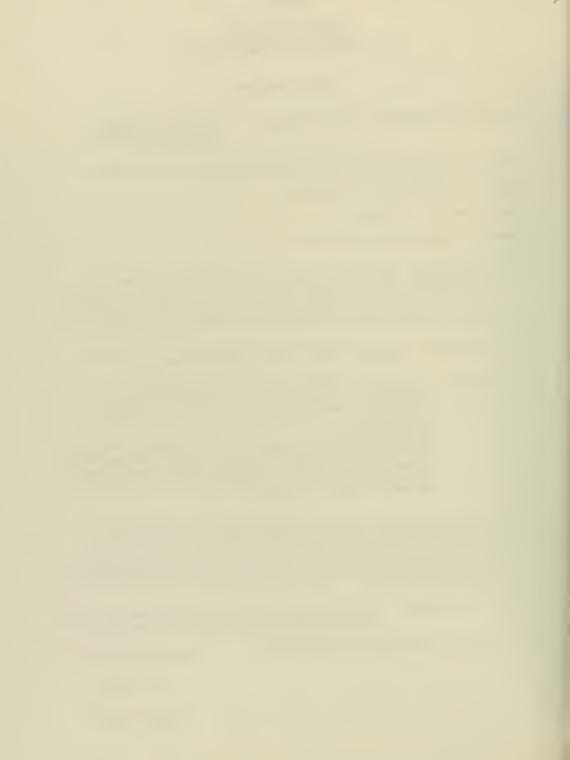
Attorney, District Attorney, Domestic Violence Unit

ACTION: Hearing held. RECOMMENDED.

DOCUMENTS DEPT

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SAN FRANCISCO PUBLIC LIBRARY



3. File 38-97-1. [Ac pting Gift - Lucille and George Jev ., Jr.] Resolution accepting and acknowledging a gift of \$12,315.70, provided to the City and County by Lucille and George Jewett, Jr. for the maintenance of the permitted Lyon Street Garden during calendar year 1996, and thanking Lucille and George Jewett, Jr. for their generous and beneficial gift. (Supervisor Kaufman)

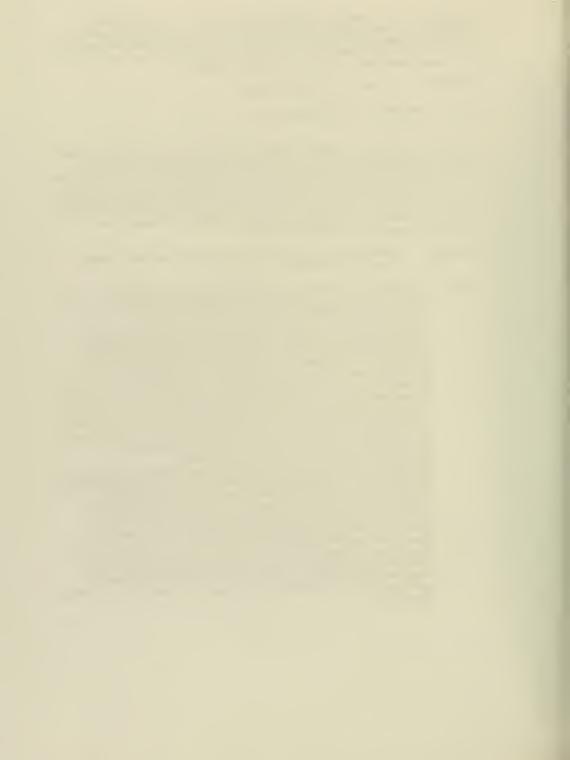
SPEAKERS: Harvey Rose, Budget Analyst

ACTION: Hearing held. RECOMMENDED.

4. File 93-97-2. [Grievance Settlement Authority] Ordinance authorizing the Human Resources Director to settle grievances filed pursuant to valid Memoranda of Understanding in amounts not to exceed \$50,000 with approval of the City Attorney and certification of funds by the Controller and authorizing appointing officers to settle grievances filed pursuant to valid Memoranda of Understanding in amounts not to exceed 45 days of pay subject to the procedures of the Department of Human Resources, approval of the City Attorney and certification of funds by the Controller. (Department of Human Resources)

SPEAKERS: Harvey Rose, Budget Analyst; Andrea R. Gourdine, Director,
Department of Human Resources

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED. Amend title, line 4, after "\$50,000" by adding "FOR CLASS ACTIONS AND \$10,000 FOR INDIVIDUALS,"; amend line 5, after "CONTROLLER" by replacing "AND" with ";"; amend line 9, after "CONTROLLER" by adding "; REQUIRING QUARTERLY REPORTS FROM THE HUMAN RESOURCES DIRECTOR SUMMARIZING ALL SETTLEMENTS AUTHORIZED UNDER THE PROVISIONS OF THIS SECTION."; amend line 20, after "\$50,000" by adding "for class action grievances, and not to exceed \$10,000 for any individual grievances, or for any individual who is part of a class action settlement"; amend page 2, line 8, by adding "(c) The Human Resources Director shall file with the Board of Supervisors on a quarterly basis, beginning July 15, 1997. for the period of April 1, 1997, through June 30, 1997, a written report identifying and summarizing all settlements approved under the provisions of this section." (See new title below.) NEW TITLE: "Ordinance authorizing the Human Resources Director to settle grievances filed pursuant to valid Memoranda of Understanding in amounts not to exceed \$50,000 for class actions and \$10,000 for individuals, with approval of the City Attorney and certification of funds by the Controller; authorizing appointing officers to settle grievances filed pursuant to valid Memoranda of Understanding in amounts not to exceed 45 days of pay subject to the procedures of the Department of Human Resources, approval of the City Attorney and certification of funds by the Controller; requiring quarterly reports from the Human Resources Director summarizing all settlements authorized under the provisions of this section." (Department of Human Resources)



5. File 65-97-1. [Ba, Area Cellular Telephone Co. Transi er Lease] Resolution authorizing and approving a lease of wireless transmitter and antennae space within and on Laguna Honda Hospital to Bay Area Cellular Telephone Company, without competitive bidding. (Real Estate Department)

SPEAKERS: Harvey Rose, Budget Analyst; Anthony DeLucchi, Director of

Property, Real Estate Department; Robert McCarthy,

representative, Cellular One

ACTION: Hearing held. RECOMMENDED.

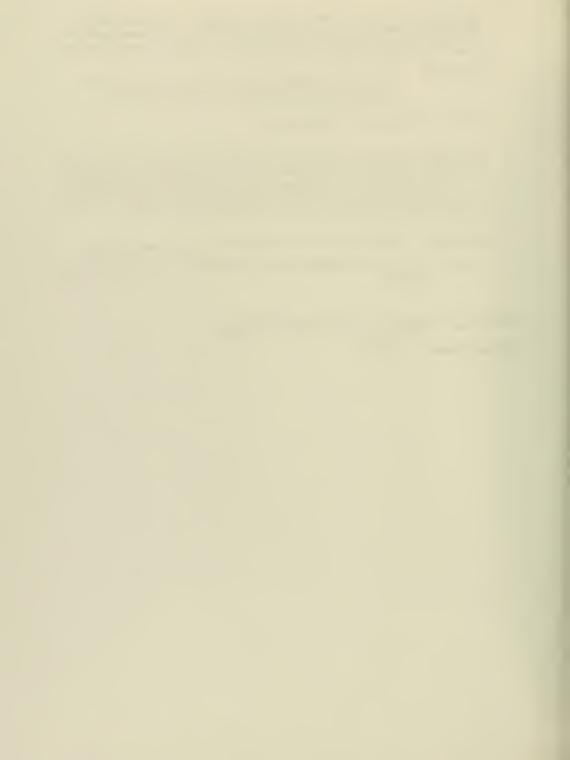
6. File 93-97-6. [Mediated Settlement, IT Study, Local 21] Ordinance implementing the provisions of a mediated settlement dated November 20, 1996 between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 and the City and County of San Francisco providing for the arbitrable terms of implementation of the IT Study. (Department of Human Resources) (Continued from 2/19/97.)

SPEAKERS: Steve Kawa, Director of Legislative Affairs, Mayor's Office

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE ON ALL ITEMS WAS 3 - 0, FOR ENTIRE MEETING.

Meeting Adjourned: 1:33 p.m.



CITY AND COUNTY



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642 FAX (415) 252-0461

February 21, 1997

TO:

Finance Committee

FROM:

Budget Analyst Recomme dating for medig of DOCUMENTS DEPT

SUBJECT: February 26, 1997 Finance Committee Meeting

FEB 25 1937

Items 1 and 2 - Files 101-96-47 and 102-96-10

Department:

District Attorney

Domestic Violence Unit

Item:

File 101-96-47: Ordinance appropriating \$94,376 from the General Fund Reserve for salaries and fringe benefits for the creation of three positions to expand the Domestic Violence Unit in the District Attorney's Office for fiscal year

1996-97.

File 102-96-10: Ordinance amending the FY 1996-97 Annual Salary Ordinance reflecting the creation of three positions in the District Attorney's Office, Domestic

Violence Unit.

Amount:

\$94,376

Source of Funds:

General Fund Reserve

Description:

The proposed supplemental appropriation ordinance (File 101-96-47) would appropriate \$94,376 for the creation of three new positions to expand the Domestic Violence Unit of the District Attorney's Office. The funds would be used to provide permanent salaries of \$76,728 and mandatory fringe benefits of \$17,648 for one Principal Attorney and

two Senior Attorneys paid at Step 3 for the remainder of the 1996-97 fiscal year. The \$94,376 was calculated on the basis that these three new positions would be staffed for a total of 8.6 pay periods, from March 1, 1997 through June 30, 1997.

In addition, the proposed ordinance (File 102-96-10) would amend the FY 1996-97 Annual Salary Ordinance to add three new positions, including one new Classification 8180 Principal Attorney and two new Classification 8178 Senior Attorneys, as follows:

No. of Positions	<u>Title</u>	Biweekly <u>Salary</u>	Maximum Annual Salary	Total Annual Salaries
1 <u>2</u> 3	8180 Principal Attorney 8178 Senior Attorney Totals	\$3,248 - \$3,948 \$2,672 - \$3,248		\$103,043 \$169,546 \$272,589

As noted above, the total annual salaries at the top step would be \$272,589.

The mission of the Domestic Violence Unit is to ensure that domestic violence cases receive the specialized attention they require and to achieve the following goals: protect the victim, the children, and the family; stop the escalation of the violence; hold the abuser accountable; make the victim whole; and when possible, rehabilitate the abuser. Currently, the Unit is staffed with six full-time positions as follows:

No. of Positions	Title	Biweekly <u>Salary</u>	Maximum Annual <u>Salary</u>	Total Annual <u>Salaries</u>
1	8182 Head Attorney	\$3,493 - \$4,246	\$110,821	\$110,821
3	8178 Senior Attorney	\$2,672 - \$3,248	\$84,773	\$254,319
<u>2</u>	8176 Trial Attorney	\$2,252 - \$2,737	\$71,436	\$142,872
6	Totals			\$508,012

Four of these attorneys handle felony cases, and two of the three Classification 8178 Senior Attorneys handle misdemeanor and statutory rape cases. These last two positions are grant funded and are prevented from handling felony cases by the terms of the grant. Approval of this request will result in a 50 percent increase in staff, from six positions to nine positions.

The proposed three new positions would be used to prosecute felony and misdemeanor cases. According to Ms. Susan Breall, Managing Attorney of the Domestic Violence

Unit, the three new requested attorney positions would assist the Domestic Violence Unit in continuing to handle cases through vertical prosecution in contrast to horizontal prosecution. Vertical prosecution means that the same prosecutor stays with a case from its outset to its conclusion.

According to the District Attorney, the Domestic Violence Unit needs to be expanded in order to effectively handle the increased caseload generated by the Domestic Violence Response Unit (DVRU) of the San Francisco Police Department (SFPD), which investigates all felony and misdemeanor domestic violence arrests and develops cases for prosecution. Lieutenant Sandra Tong, who heads the SFPD DVRU, confirms that the DVRU expanded from six officers in July of 1996 to a current 20 officers in October of 1996. Within that time, the referral rate by the SFPD to the District Attorney's Domestic Violence Unit increased by approximately 40%, from an average of 375 felony and misdemeanor cases per month to 525 felony and misdemeanor cases per month. As a result, the number of felony cases filed by the District Attorney's Domestic Violence Unit increased from 50-60 cases per month to 120 cases per month, and the number of misdemeanor cases filed increased from 100 cases per month to approximately 200 cases per month.1

Lieutenant Tong anticipates that the felony caseload will further increase in the next year as officers become more experienced and as staffing levels permit the more timely investigation of unassigned cases. Lieutenant Tong further reports that the caseload for the Domestic Violence Unit has already been expanding because the DVRU has been assigned to investigate all juvenile crimes of domestic violence which are also being sent to the District Attorney's Domestic Violence Unit for special handling. Ms. Breall has stated that the requested three new positions, if approved, would provide the Department with sufficient attorneys to process the current domestic violence caseloads, within acceptable time periods. However, according to Ms. Breall, should the Domestic Violence Unit's caseloads significantly

¹Although currently the SFPD refers approximately 525 felony and misdemeanor domestic violence cases to the District Attorney for prosecution each month, the District Attorney actually files approximately 320 of those cases for prosecution, according to Ms. Breall. The remaining approximately 205 cases are not prosecuted due to insufficient evidence or lack of corroboration, resulting in an inability to take the case to trial.

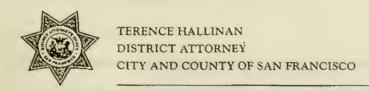
increase in the future, additional attorneys would be required to adequately handle those additional caseloads.

Comments:

- 1. According to Mr. Andrés Acevedo of the Mayor's Budget Office, funding for the three proposed new positions is requested at Step 3 rather than at Step 1 because the District Attorney believes that it is essential to hire experienced attorneys who can obtain either a guilty plea or a jury trial conviction for these serious crimes and who are trained and sensitized to the needs and concerns of domestic violence victims. Consequently, the three proposed new positions would be filled by promoting experienced attorneys from within the District Attorney's Office.
- 2. As previously stated, funding for the proposed three positions is based on a March 1, 1997, hiring date. Ms. Teresa Serata of the District Attorney's Office, reports that the Department now expects to fill the requested three new positions by March 24, 1997, which would require funding for 7.1 pay periods in FY 1996-97. Therefore, if the Finance Committee decides to approve the proposed supplemental appropriation ordinance, the requested funding for permanent salaries and fringe benefits should be reduced from \$76,728 and \$17,648 to \$67,258 and \$15,469, respectively, resulting in a total reduction of \$11,649.
- 3. The Attachment to this report, provided by the District Attorney's Office, contains the average number of misdemeanor and felony cases per year, per month and per attorney under current staffing and planned staffing levels. The Attachment also contains the District Attorney's justification for the three new positions. Approval of such new positions at this time, only approximately three and one-half months prior to the FY 1997-98 annual budget review, would be made without regard to any other new position requests which will be considered by the Finance Committee and the full Board of Supervisors for all City and County departments.

Recommendations:

- 1. In accordance with Comment No. 2 above, if the Finance Committee decides to approve the proposed supplemental appropriation ordinance, amend File No. 101-96-47 by reducing the total request by \$11,649 from \$94,376 to \$82,727, providing \$67,258 for permanent salaries and \$15,469 for fringe benefits.
- 2. Approval of the proposed legislation, as amended, is a policy decision for the Board of Supervisors.



TO: Stan Jones
FROM: Susan Breall
RE: Attachment
DATE: February 19, 1997

Justification for Domestic Violence Special Appropriation

In October of 1996, the Domestic Violence Unit of the San Francisco Police Department increased its number of investigators from 8 to 20. This office applauds the police department's commitment to this issue, and brings to the attention of the Board of Supervisors the resultant serious consequences for the domestic violence caseload within the District Attorney's office. This is evidenced by the fact that in November of 1996 the caseload of the DA's misdemeanor unit doubled from 100 to 200 cases per month with the felony unit's caseload increasing from 50 cases to 120 cases per month. Clearly, in order for Assistant District Attorneys to ensure that domestic violence cases receive the specialized attention they require at both the felony and misdemeanor level, to protect victims and their children, to stop the escalation of violence, and to hold the abuser accountable, additional staff is needed immediately to prosecute the increase in cases being investigated and referred to the District Attorney's office. Since November, this office has been in the process of seeking this supplemental funding. We are in fear that victims of domestic violence could suffer from an inability of attorneys to provide each of them the attention their cases deserve given the amount of overwork and the doubling of caseloads at both the misdemeanor and felony levels.

It is only by vigorous prosecution, reduced caseloads and specialized attention to each victim that domestic violence and potential homicides can be reduced in San Francisco. On February 13, 1997, the San Francisco District Attorney's office released a homicide study which showed that in 1995/96 Domestic Violence was the leading cause of solved homicide for women in San Francisco. It further showed that 64% of these solved homicides were committed by husbands, former partners and/or current boyfriends. Clearly these statistics illustrate that domestic violence has extremely dangerous and potentially lethal consequences for women in San Francisco. District Attorney Hallinan is committed to following the recommendations of the Commission on the Status of Women outlined as a result of the Charan Investigation.

The Misdemeanor Specialized Domestic Violence Unit will have four full-time attorneys. One of the four, the Spousal Abuser Prosecution attorney, will continue to handle 25 cases per month. Beyond her caseload, the specialized misdemeanor Domestic Violence Unit will handle approximately 200 cases per month, or 2,400 cases per year. Each of the remaining three attorneys will handle 800 misdemeanor cases per year (66 per month, per attorney). Without the two new attorney positions dedicated to the specialized misdemeanor unit through this special

appropriation, it would not be possible for the unit to handle the current caseload.

Similarly, without the addition of a new principal attorney position to the specialized Felony Domestic Violence Unit, the unit will be unable to handle the charging and vertical prosecution of all felony Domestic Violence cases. The recent increase in felony domestic violence arrests has resulted in a jump from an average of 50 cases per month to 120 cases per month. At 1,440 cases per year, the current staff of 4 felony attorneys handles a caseload of 360 cases per year. On average, a felony attorney in the District Attorney's Office handles 250 cases per year. Adding the additional felony attorney will bring the Domestic Violence Felony Unit caseload to approximately 288 cases per year per attorney, still high, but manageable. In addition, the new principal attorney position will allow the unit to add an attorney with the necessary specialized expertise to assist with oversight of the charging and prosecutorial function. This attorney will bring the knowledge of complex and fast-changing criminal law in this area requisite to obtaining the most effective dispositions in domestic violence cases.

Memo to Finance Committee February 26, 1997 Meeting of Finance Committee

Item 3 - File 38-97-1

Item:

Resolution accepting and acknowledging a gift of \$12,315.70 provided to the City and County of San Francisco by Lucille and George Jewett, Jr. for the maintenance of the permitted Lyon Street Garden during calendar year 1996, and thanking Lucille and George Jewett, Jr. for their generous and beneficial gift.

Description:

In 1986, the Department of Public Works issued a revocable permit to Lucille and George Jewett Jr. to occupy portions of the sidewalk and street areas at Broadway and Lyon Streets, adjacent to the Presidio. The improvements provided by the Jewetts included the installation of planter boxes, an irrigation system, concrete landings, a wall and sidewalk, a granite curb, driveway ramp, lighted handrails and landscaping improvements. Since 1986, the Jewetts have maintained the Lyon Street Garden and steps, which is adjacent to their residence. During 1996, the Jewetts provided maintenance services, which the Jewetts valued at \$12,315.70 for the Lyon Street Garden. These maintenance and improvements included shrub plantings, landscaping and the planting of flowering annuals.

The proposed resolution would accept and acknowledge this in-kind gift valued at \$12,315.70 by the Jewetts, on behalf of the City and thank the Jewetts for their generous and beneficial gift. According to the office of Mr. Jewett, the proposed resolution would provide the Jewetts with the necessary documentation to satisfy the Federal Internal Revenue Service (IRS) requirements for a charitable tax deduction.

Comments:

- 1. Ms. Denise Brady of the DPW indicates that the DPW issued an encroachment permit for use of a legal right-of-way to the Jewetts in 1986. This encroachment permit required that the Jewetts improve and maintain the subject area. As noted above, these improvements would also be used for the purpose of a charitable tax deduction for income tax purposes.
- 2. Mr. Mel Baker of the DPW reports that since 1986, the Jewetts have provided the enhanced maintenance of the Lyon Street steps and garden area. Mr. Baker indicates that if the DPW instead provided the City's basic monthly maintenance services for the Lyon Street Garden, the DPW's costs would be approximately \$5,500 per year. Mr. Baker reports that the DPW does not currently provide any improvements or maintenance services to this area. In

addition, Ms. Brady states that the revocable permit issued to the Jewetts by the City requires that the Jewetts provide enhanced maintenance of the Lyon Street Garden area, and if the Jewetts no longer follow the conditions of the permit, the City would only be required to provide the City's basic monthly maintenance services.

- 3. Legislation similar to the subject proposed legislation has been approved by the Board of Supervisors each year since 1994.
- 4. According to the office of Mr. Jewett, in May of 1996 the Jewetts decided to maintain the Lyon Street Garden under a new arrangement, under which, instead of making a gift to the City, the Jewetts will make a donation to the San Francisco Foundation, a charitable community fund, designated for the purpose of maintaining the Lyon Street Garden. The San Francisco Foundation will use the gift to provide the subject maintenance services. Therefore, the proposed acceptance by the City of the gift pertains only to the maintenance services purchased by the Jewetts from January, 1996 through April, 1996.

Ms. Sally Blair of the San Francisco Foundation reports that, between May, 1996 and December, 1996, the Jewetts contributed \$31,235.55 to the San Francisco Foundation for maintenance of the Lyon Street Garden. Ms. Blair states that the \$31,235.55 was spent during this period on such maintenance. Therefore, during the entire calendar year of 1996, the Jewetts have provided \$43,551.25 (\$12,315.70 spent directly by the Jewetts, which is the subject of this proposed resolution, plus \$31,235.55 administered by the San Francisco Foundation) for maintenance of the Lyon Street Garden, and will claim a charitable deduction for the total \$43,551.25 amount. According to Ms. Brady, this amount has not been verified by the DPW.

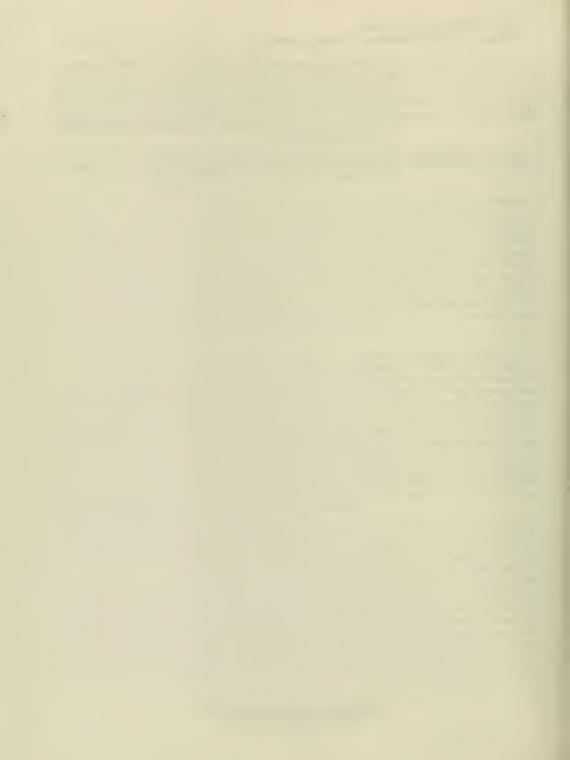
5. Mr. Buck Delventhal of the City Attorney's Office advises that the only reason that the Board of Supervisors has been asked to accept and acknowledge the annual gifts of maintenance services from the Jewetts since 1986 was to provide the Jewetts with documentation for income tax purposes. According to Mr. Delventhal, the terms of the revocable permit issued to the Jewetts require the Jewetts to provide enhanced maintenance of the Lyon Street Garden, so the gift legislation does not have to be approved, except for income tax purposes. In other words, the maintenance of the Lyon Street Garden is provided by the Jewetts in compliance with their revocable encroachment permit, and as such satisfies City requirements. The office of Mr. Jewett advises

Memo to Finance Committee February 26, 1997 Meeting of Finance Committee

that, in the future, the Jewetts will no longer need to make a gift to the City for tax deduction purposes, and rather will obtain the tax documentation that they need from the San Francisco Foundation. Therefore, according to the office of Mr. Jewett, it is expected that this will be the last year that the gift acceptance legislation is submitted for approval to the Board of Supervisors.

Recommendation:

Based on the prior years' policy decisions of the Board of Supervisors, approve the proposed resolution.



Item 4 - File 93-97-2

Department:

Department of Human Resources (DHR)

Item:

Ordinance authorizing the Human Resources Director, without subsequent approval of the Board of Supervisors, to settle grievances filed pursuant to Memoranda of Understanding previously approved by the Board of Supervisors in amounts not to exceed \$50,000 for each grievance, without regard to the number of employees involved in the grievance, with approval of the City Attorney and certification of funds by the Controller, and authorizing appointing officers to settle grievances filed pursuant to valid Memoranda of Understanding in amounts not to exceed 45 days of pay subject to the procedures of the Department of Human Resources, approval of the City Attorney and certification of funds by the Controller.

Description:

Establishing Authority of Appointing Officers to Settle Certain Grievances

According to Mr. Geoff Rothman of the DHR (see the Attachment to this report), prior to the 1996 Charter revisions, specified individual departments (the Port, the Airport, the Public Utilities Commission, and the Public Transportation Commission) had Charter authority, with the City Attorney as legal advisor, to settle employee grievances resulting from actions taken on their authority, without subsequent approval of the Board of Supervisors. Further, according to Mr. Rothman, this authority was deleted in the 1996 Charter for all departments except for the Port. Ms. Paula Schiff of the DHR reports that the foregoing grievance settlement authority included actions involving discipline, unpaid administrative leave, and out of class pay. Mr. Rothman states that where specific departmental Charter authority did not exist, the Board of Supervisors retained final settlement authority for all claims in excess of \$5,000. but that Administrative Code Sections 10.21 and 10.22-2 authorizes all departments, without subsequent approval by the Board of Supervisors, to settle claims, with the approval of the City Attorney, in amounts not to exceed \$5,000.

However, with respect to the Administrative Code authority, under which departments could settle claims not exceeding \$5,000 without subsequent approval by the Board of Supervisors, Mr. Rothman has stated that when originally enacted, such authority was related only to claims filed pursuant to the California Tort Claims Act, including such issues as claims related to injuries sustained in vehicle

> accidents and other general liability claims based on damages caused by or on City property, and did not contemplate the collective bargaining process which is now in place and related employee grievances involving wages, hours, and other terms and conditions of employment.

> Presently, all City departments can now settle employee grievance claims in amounts not to exceed \$5,000, without the approval of the Board of Supervisors. The proposed ordinance would establish the authority of appointing officers to settle grievances filed pursuant to valid Memoranda of Understanding, arising at the departmental level. Such grievances would include out of class pay, reimbursement for administrative leave, discipline, and related economic items, without subsequent approval by the Board of Supervisors, with the limitation on the amount to be paid of 45 days of a grieving employee's compensation. For example, if an employee earns \$50,060 an amount of \$8,631 would be paid without Board of Supervisors approval. If an employee earns \$100,120 annually, an amount of \$17,261 would be paid without Board of Supervisors approval.

Under the proposed ordinance, all departmental settlements would be in accordance with the policy and procedures of the Department of Human Resources, require approval of the City Attorney and certification by the Controller that sufficient funds are available. According to Ms. Schiff, in prior years there have been approximately 20-25 cases annually involving these types of settlements, and the costs of such settlements have ranged from \$500 to \$7,000, for each employee.

Establishing the Authority of the Human Resources Department to Settle Certain Grievances

The proposed ordinance would also provide the Director of Human Resources with the authority to settle grievances arising either from labor disputes or labor issues invoking the interpretation of existing Memoranda of Understanding (MOU) provisions, in amounts not to exceed \$50,000 for each grievance, without subsequent approval of the Board of Supervisors. Ms. Schiff reports that an average of 120 grievances are filed annually at the HRD level. The ability to settle such grievances under existing MOUs would be a new authority delegated to the HRD. Under the proposed ordinance, recommended settlements would be reviewed and approved by the City Attorney and would be subject to availability of funding certified by the Controller. Ms. Schiff advises that approximately 15 to 20 such grievance

settlements have occurred annually in the past. The costs of these types of settlements have ranged from \$5,000 to over \$50,000 depending on the number of employees affected by the settlement. However, the majority of settlements on such issues have ranged from \$5,000 to \$50,000 for each grievance.

Comment:

Ms. Schiff reports that the ability to settle grievances in an expeditious manner, without requiring Board of Supervisors approval, would improve labor relations and enhance management credibility. Currently, according to Ms. Schiff, settlements of employee grievance cases take a minimum of six weeks to three months before payment to an aggrieved employee is effected, including a minimum of three weeks for the process to obtain approval of the Board of Supervisors.

Recommendation:

Approval of the proposed ordinance is a policy matter for the

Board of Supervisors.

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE HUMAN RESOURCES DIRECTOR

MEMORAN DUM

DATE:

February 20, 1997

TO:

Stan Jones

FROM:

Geoff Rothman

RE:

Rationale for Ordinance - Grievance Settlement Authority

Prior to the charter revisions which became effective July 1, 1996, specified individual departments had charter authority, with the city attorney as legal advisor, to resolve and pay claims. This authority was deleted in the new charter except for the Port Commission (see former charter sections 3.585, 3.594, 3.694 and 3.704 covering the Port Commission, the Airports Commission, the Public Utilities Commission, and the Public Transportation Commission). Where specific departmental charter authority did not exist, the Board of Supervisors retained final settlement authority. All departments were authorized and are currently authorized by the Board to settle litigated and unlitigated claims with the approval of the city attorney in amounts not to exceed \$5,000 (see Administrative Code sections 10.21 and 10.22-2).

However, when the Administrative Code provision referenced above was originally enacted, it was related to claims filed pursuant to the California Tort Claims Act. Disputes regarding wages, hours, and other terms and conditions or employment were generally not included in the type of claims submitted pursuant to the Tort Claims Act. Therefore, it is unlikely that the departmental claims settlement authority set forth in the Administrative Code was ever intended to apply to such claims.

With the advent of collective bargaining, the number and value of claims filed as grievances pursuant to MOUs has substantially increased. If these claims are not settled, they are subject to arbitration. These claims include, for example, disputes regarding premium pay, out-of-class pay, discipline and discharge and may cover a single employee or an entire bargaining unit. An arbitrator's award is final unless challenged in court.

In order to effectively administer and process grievances we are proposing the attached legislation. This amendment will allow the Human Resources Director to centrally monitor, control, and where appropriate, expeditiously settle grievances arising from disputes regarding the provisions of MOUs. In addition, the amendment will clarify the authority, process and procedures for reaching such settlements and provide consistency and fairness.

This proposed amendment has been discussed and approved by the Controller and the City Attorney.

Memo to Finance Committee February 26, 1997

Item 5 - File 65-97-1

Department:

Real Estate Department

Item:

Resolution authorizing and approving a new lease of wireless transmitter and antennae space within and on Laguna Honda Hospital to Bay Area Cellular Telephone Company, without competitive bidding.

Location:

Transmitter equipment would be placed in the basement of Laguna Honda Hospital Building C. Antennae would be placed on the penthouse (which is the elevator equipment room) located between Buildings C and D, and on the roof and penthouse (elevator equipment room) of Building D. (Attachment 1 presents the roof locations graphically.)

Purpose of Lease:

The proposed lease would grant a "non-exclusive license" to Bay Area Cellular Telephone Company (BACTC) of South San Francisco to install and operate wireless telecommunications equipment (transmitter and antennae) at Laguna Honda Hospital, in order to send and receive radio signals to and from cellular telephones, and to connect those signals to telephone facilities.

Lessor:

City and County of San Francisco

Lessee:

Bay Area Cellular Telephone Company (BACTC)

No. of Sq. Ft. and Cost Per Month:

BACTC would lease (1) approximately 300 square feet of space in the lower floor of Building C, in which BACTC's communications equipment would be installed; (2) certain space on the roof and penthouse (the elevator equipment room) between Buildings C and D, upon which BACTC would install four cellular telephone antennae, to be mounted "flush against the ornamental fixture located on the roof," and (3) certain space on the roof and penthouse (the elevator equipment room) of Building D, upon which BACTC would install eight cellular telephone antennae (also "flush against the ornamental fixture").

Utilities Provided by Lessor:

Laguna Honda Hospital would provide "access to existing utilities;" however, BACTC would be required to install separate or sub-utility meters and be responsible "directly to the serving utilities" for all utilities required by BACTC. However, the proposed lease provides that, "in the event utilities are provided by the City," BACTC would pay additional rent to the City as compensation for the utility charges to the City.

Memo to Finance Committee February 26, 1997

Annual Revenues:

BACTC would pay \$1,500 per month to the City, or \$18,000 annually, to be adjusted annually beginning April 1, 1988, based on the Department of Labor's Consumer Price Index for urban wage earners in the San Francisco area; provided, however, that the annual adjustment shall be at least three percent, but not more than 10 percent of the base rate then in effect.

Term of Lease:

An initial term of one year and 364 days, beginning April 1, 1997, with one three-year extension of the <u>initial</u> term through March 30, 2002, or a total of four years and 364 days, provided that BACTC conforms with the domestic partner benefit provisions of Administrative Code Sections 12B and 12C before the expiration of the initial term (see Comment 3).

Right of Renewal:

Following expiration of the extended initial term of four years and 364 days, BACTC would have three five-year options, subject to the conditions noted in Comment 3 below, to extend the term of the lease, with rent to be adjusted to the fair market value before each five year renewal option period. Fair market value would be determined as agreed between the City and BACTC, or, if the parties do not agree, as agreed between two property appraisers hired to represent each of the parties; if hired, each property appraiser would be required to have at least five years telecommunications site appraisal experience.

Description:

In September 1995, the City notified all cellular telephone companies, by letter and published official notice, of City property sites available for lease to cellular telephone transmitter companies. According to the Real Estate Department, a "cellular telephone site" (or "cell site") is a location in which radio and telephone equipment is installed and used to send and receive radio signals to and from cellular telephones, and to connect those signals to telephone facilities either directly by means of cables or indirectly by means of radio wave transmitting facilities, including antennae located at the cell site.

The City Planning Commission has established wireless telecommunication facilities siting guidelines for this purpose, and has identified public property as a priority for the location of such facilities. The Department of City Planning siting guidelines were approved by the Planning Commission on August 15 1996.

The proposed resolution would authorize the Department of Real Estate to enter into a lease with Bay Area Cellular Telephone Company (BACTC) for wireless transmitter

and antennae space at Laguna Honda Hospital (LHH), and would include a Board of Supervisors' finding that to enter into the proposed lease without competitive bidding "is in the best interests of the City" (see Comment 2). The proposed resolution would authorize, "the Mayor or his designee" to execute the lease, without competitive bidding.

Comments:

- 1. Mr. Harry Quinn of the Real Estate Department reports that the proposed monthly lease rate of \$1,500 is the fair market lease rate for the subject site.
- 2. The proposed resolution includes a finding by the Board of Supervisors that "it is in the best interests of the City to enter into the lease based on direct negotiations with BACTC without a competitive bid process." According to Mr. Quinn, the Department of Real Estate believes that competitive bidding is not in the City's best interests because: (1) the City Planning Commission's siting guidelines for cellular telephone equipment identify public property as a priority for the location of such equipment: (2) space is available at LHH for additional transmitters and antennae in the event other vendors request to lease space at this location; and (3) competitive bidding in this situation would be impracticable or impossible because there is insufficient demand for the placement of cellular telephone equipment at Laguna Honda Hospital to justify a competitive bid process, according to Mr. Quinn. This lack of demand is explained in Attachment II in a memorandum from Mr. Quinn.
- 3. As noted above, the proposed lease would have an initial term of one year and 364 days, beginning April 1, 1997 through March 31, 1999. (The lease could take effect sooner than April 1, 1997 if all the necessary approvals for the proposed lease have been obtained prior to that time.) According to Mr. Quinn, the initial term of one year and 364 days was agreed on to enable BACTC to comply with the new provisions of Administrative Code Sections 12B and 12C (which take effect June 1, 1997) concerning domestic partners benefits, which were approved by the Board of Supervisor November 18, 1996. Specifically, the new provisions of Sections 12B and 12C of the Administrative Code require that, effective June 1, 1997, the City shall not enter into any contracts or other agreements for real or personal property, unless the contractor agrees not to "discriminate in the provision of benefits between employees with domestic partners and employees with spouses." On December 23, 1996, the Board of Supervisors approved Resolution No. 26-97, urging City

Memo to Finance Committee February 26, 1997

departments which execute contracts or leases before June 1, 1997 (as with the subject proposed lease with BACTC at Laguna Honda Hospital) to include the non-discrimination requirement concerning domestic partners benefits, if the contract is two years or more in length.

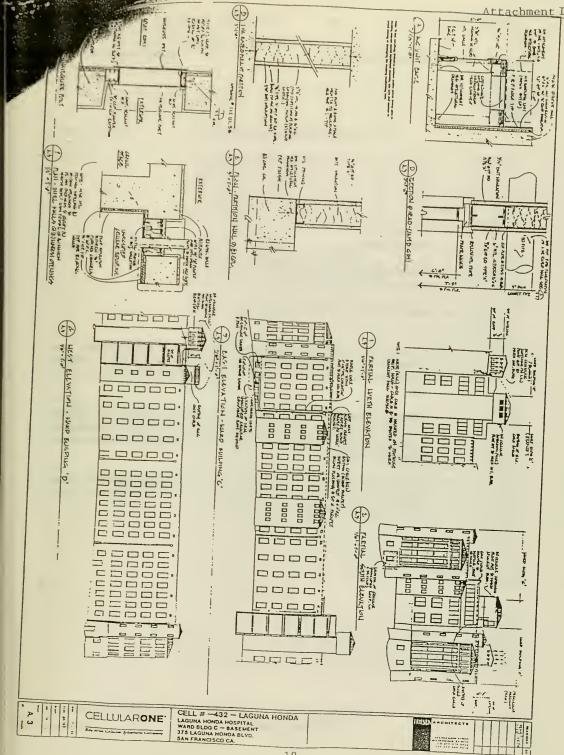
According to Mr. Quinn, BACTC has agreed to comply with the domestic partners' benefit requirements of the Administrative Code, which take effect on June 1, 1997, within two years of the effective date of the proposed lease, or the lease will terminate.

If at any time BACTC is found, through a public hearing process before the Board of Supervisors, not to be in full compliance with Administrative Code Sections 12B and 12C, the City would give BACTC 90 days' written notice and terminate the lease, according to Mr. Quinn.

4. The Department of City Planning on September 7, 1995 found the proposed transmitter and antennae at Laguna Honda Hospital to be consistent with the Seven Priority Policies as well as all other applicable provisions of the City's General Plan.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.



TO:

415 252 0461

City and County of San Francisco

Real Estate Department

Office of the Director of Property



MEMORANDUM

February 21, 1997

TO:

Harvey Rose

Budget Analyst

FROM:

Harry J. Quinn

Assistant Director

RE:

BACTC Wireless Lease - File #65-97-1

In consultation with the City Attorney's Office, two official public notices were made as to the availability of City-owned building for the use of wireless communications. BACTC was the only vendor that responded to locating at this site.

The Laguna Honda Hospital campus including the Hospital buildings has sufficient space to accommodate approximately six cell transmitter companies. Neighboring Youth Guidance Center property can also accommodate approximately six cell transmitter companies.

Since BACTC was the only response we received, it was determined that putting this site out to bid would be impractical especially since there is additional room at the site for the remaining 4 or 5 vendors.

LJ:avd

554-9850 FAX: 552-9216

Item 6 - File 93-97-6

Note: This item was continued by the Finance Committee at its meeting of February 19, 1997.

Department: Department of Human Resources (HRD)

Item: Ordinance implementing the provisions of a mediated settlement dated November 20, 1996, between the

International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, and the City and County of San Francisco, providing for the arbitrable terms of implementation of the IT (Information Technology) Study.

Description: The Civil Service Commission contracted with a consultant in

1990 to perform a classification study of the City's Information Systems (IS) positions Citywide. According to Mr. Rob Kellar of HRD, the Study was initiated because of general dissatisfaction by City departments with the classification structure of IS positions and the fact that many of the existing IS positions were not classified. Attachment I to this report is a report from the then Human Resources Director to the Civil Service Commission, dated June 5, 1996, providing Commission members with information on the background of the Study and the remaining tasks to be

completed.

To summarize the content of the HRD report, due to a variety of problems, the efforts of the initial consultant were terminated in 1994. According to Mr. Kellar, a total of \$94,451 had been expended at the time of the termination. A Working Group, consisting of City employees, was then created to develop a classification concept plan and a new consultant was selected under a Request for Proposal process in the amount of \$51,500 in January of 1995 to conduct the Study, according to Mr. Kellar. The Study recommendations were submitted to HRD in September of 1995, after which a review and informal appeal process took place. The results of the Study were posted for classification action by HRD on January 30, 1997. Affected employees and departments had until February 6, 1997, to appeal the recommended classification actions.

According to Mr. Kellar, the Department received a large number of appeals, and is currently processing those appeals, and expects to complete disposition on the appeals, including a second appeal process to the Civil Service Commission, by June of 1997. Upon resolution of the appeals, employees will

be appointed in the new classes. Appointments are to be completed in FY 1996-97.

Mr. Kellar reports that the provisions for implementing the results of the classification study were submitted for mediation by the City and Local 21 following failure to resolve certain aspects of the proposed implementation during meet and confer sessions. A mediated settlement agreement (the "Agreement") between the parties was concluded on November 20, 1996.

The proposed legislation would implement the results of the Agreement between the City and Local 21 regarding the implementation of the classification study of the City's Information Systems positions. Significant points of the Agreement are as follows:

- 1. The purpose of the proposed mediated settlement agreement is to implement the results of the classification study with regard to positions represented by Local 21.
- 2. The classification study is scheduled to be implemented on May 17, 1997. In the event that the City believes that the funding agreed to by the parties is insufficient to implement the classification study on that date, the City shall notify the union of such funding deficiency. In that event, the classification study shall be implemented no later than the final pay period of FY 1996-97.
- 3. At the time of the implementation of the Study, provisional employees² shall be awarded the step increases to which they would have been entitled had they become permanent employees at the date of appointment in their current provisional classifications, only if sufficient funds are available at the time of implementation.

¹The City and Local 21, per amendment to the MOU between the parties dated May 21, 1996, agreed that the cost of the implementation of the classification study for FY 1996-97 would not exceed 0.5 percent of the payroll calculation for the affected classification.

²Provisional employees are City employees who were not selected from a Civil Service eligible list, but whose positions are subject to be filled from a Civil Service eligible list. Provisional employees retain their provisional status until a Civil Service eligible list is established and they are selected from that list. At that time, they become permanent employees.

- 4. Employees whose salaries would otherwise be reduced as a result of the classification implementation shall continue at their current rates of pay with no further increases until such time as their respective salary rates are the same or greater than their current rates of pay.
- 5. Employees who have served more than one year and one day in their current provisional classifications and departments shall serve a probationary period of 60 days in their permanent successor classifications.
- 6. Employees who are permanent in their current classifications shall continue to carryforward accrued seniority in their successor positions. Employees who are provisional in their current classifications, upon becoming permanent in a successor classification, shall carryforward seniority from the appointment date in their most recent respective provisional classification, as if they had been permanent in those respective classifications.
- 7. Classification 1739, Computer Operations Supervisor II, which would be abolished and reclassified as Classification 1005, IS Operations Supervisor, shall not be affected until such time as the present incumbents have vacated or been removed from the classification. However, no new positions shall be allocated to Classification 1739 and no further examinations for that classification shall be administered.
- 8. Classification 1860, Computer Operations Support Supervisor, is scheduled to be reclassified to Classification 1005, IS Operations Supervisor. The lone current employee in Classification 1860 may request reclassification to Classification 1739, Computer Operations Supervisor II, prior to implementation of the reclassifications in lieu of the proposed reclassification to Classification 1005.
- 9. The title of Classification 1070 shall be IS Project Director, and the HRD shall amend the job specifications to be consistent with the classification title, subject to appeal to the Civil Service Commission.
- 10. Regarding the IS classifications, the City agrees to recognize Local 21 as the collective bargaining representative for any classification which constitutes a successor classification to a classification which Local 21 currently represents.

- 11. Appointments are to be made, at the nearest step to, but not less than, the employees current salary, not to exceed the maximum of the salary range.
- 12. Arbitrator Walter Kintz, who was retained by the City and Local 21 to mediate the settlement agreement, is to retain jurisdiction over the provisions of the Agreement.

Comments:

- 1. According to Mr. John Madden, Chief Assistant Controller, the Controller's Office concurs with the cost estimate of implementing the classification study of \$1,473,998, annually, referred to in Comment No. 3, but notes that a large number of appeals may significantly alter the final cost of the implementation.
- 2. Based on data provided to the Budget Analyst by HRD, a total of 487 positions would be affected by the proposed reclassifications. Of the 487 affected positions, 439 are currently represented by Local 21 and would continue to be represented by Local 21. The remaining 48 positions are currently represented by other unions or are unrepresented, and would all, under the provisions of the proposed settlement agreement, be represented by Local 21.
- 3. HRD estimates that subject to changes from approximately 200 appeals presently being processed, implementation of classification study would result in total annual salary increases of \$1,473,998, or an average annual salary increase of \$3,027 for the 487 affected positions. According to Mr. Madden, funding for implementation of the reclassifications would be requested in the FY 1997-98 budget.
- 4. Although still under review and subject to revision, the proposed salary increases range from \$0 to \$34,243, annually. In total 58 positions would receive annual salary increases of over \$10,000. Attachment II to this report is a memorandum from Ms. Marini of HRD describing the functions for nine of the positions which would receive annual salary increases in excess of \$15,000.
- 5. Mr. Kellar reports that Section 9.14.2 of the Civil Service rules provides that permanent employees in positions in former classifications which are reallocated to new classifications are granted permanent status in the new classifications if the difference between the salary ranges of the former classifications and the new classifications do not exceed five percent. However, even if the new salary does

exceed five percent, the appointing officer could still appoint the existing employee to the position at the new higher salary on a provisional basis. Subsequently, the employee appointed on the provisional basis would have to compete with all other qualified applicants for a permanent appointment through a Civil Service examination, but only at some time in the future if and when the examination is held.

6. As requested by the Finance Committee at its meeting of February 19, 1997, Attachment III to this report contains a listing of all positions which have been scheduled for a pay increase under this proposed legislation, and which are currently filled by a City employee, together with the appointment date that employee began working for the City at their present base salary level. Such base salary levels exclude any step increases and the latest 2.5 percent increase granted to such employees. In total, there are 180 positions that are currently filled that would receive salary increases ranging from \$209 to \$30,902, annually. It should be noted that of the 180 currently filled positions in question, 66 of the employees, or approximately 37 percent of such employees, have been working for the City for a minimum of five years (hired prior to 1992) at their present base salary level (excluding step increases and the latest 2.5 percent increase).

7. According to Ms. Vicki Clayton of the City Attorney's Office, the proposed settlement agreement is not a final arbitration award and is not binding unless it is approved by the Board of Supervisors. However, should the Board of Supervisors not approve the mediated settlement, the matter would proceed to binding arbitration.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz

Supervisor Medina Supervisor Newsom Supervisor Teng Supervisor Yaki Supervisor Yee Clerk of the Board Controller Steve Agostini Stephen Kawa Ted Lakey

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City and County of San Francisco



Department of Human Resources

WENDELL L. PRYOR, HUMAN RESOURCES DIRECTOR

BRIEFING PAPER

Date: June 5, 1996

To: Honorable Civil Service Commission

From: Wendell L. Pryor

Human Resources Director

RE: INFORMATION SYSTEMS CLASSIFICATION STUDY

Background:

In 1990 the Civil Service Commission contracted with a consultant group from the Bast coast to perform a classification study of Information Systems (IS) positions Citywide. Various departments requested this study because many of the IS positions were not classified, some positions were budgeted in 'A' classes, in many instances examinations had not been given in a long time, and many positions were occupied by provisional employees who did not receive salary increases or the other benefits of permanent status. Additionally, the current series of job classes was not perceived as adequately serving the needs of departments. The IS classes were associated with a predominately centralized main-frame operation that was now drastically changing to a decentralized environment of personal computer networks with unique applications in user departments. This made it increasingly difficult to attract and retain the level of expertise to meet the City's current and future information system needs.

The IS study begun in 1990, relied extensively on the expertise and staff assistance of the outside consultant. Due to a variety of problems, including a dispute over the acceptability of key deliverables, the project stalled. In 1993 I decided that a different approach was required. A Working Group was established consisting of a project manager from this department, employees recommended by IS managers in key departments, and members of Local 21 and their business representative. The Working Group met over a period of eight months on a regular basis and was successful in reaching consensus on a "class concept plan" that outlined the new job classes that would provide broad classes which would service the IS needs of all departments. This plan was presented to the rest of the IS community and received general approval. Upon completion of this task, the position classification questionnaires (PCQ) on file were redistributed to incumbents and updated, and new PCQs collected for new positions.

Due to a variety of reasons it was determined that a new consultant should be selected to complete the study. David M. Griffith and Associates (DMG) was selected in January of 1995. DMG has worked closely with DHR staff, the Working Group, and a Project Steering Committee.

consisting of key IS managers to reach the project's current stage of near completion. The following tasks have now been completed:

- Validated and amended the classification concept plan
- Reviewed all PCQs and allocated positions to proposed new classes in consultation with affected managers
- Developed classification specifications and a matrix indicating relationships of classes
- Presented the results of allocation process to the managers and incumbents
- Accepted requests for review of allocation recommendations
- Conducted a salary study of comparable IS classes in selected public jurisdictions and presented results to DHR managers
- Presented the results of the consultant's response to requests for review of allocation recommendations to the managers and incumbents. DHR also introduced concepts for till IS training and career opportunity center
- Held initial meet-and-confer sessions with Local 21 regarding salaries for the new classes and other issues required to implement the study.

Remaining tasks:

- 1. Posting of Classification Actions Based on the results of the study, DHR staff will post, as recommended actions of the Director of Human Resources, the class specifications of all proposed new classes and classification of all positions in the study. Employees will be notified of the process for appealing these recommendations to the Director.
- 2. Managing of Appeal Process DHR staff will manage the formal appeal process using the expertise of DMG to resolve appeals. Upon review and response to appeals received, DHR will post the Final Actions of the Director of Human Resources. This will consist of the original recommendations and any changes made as a result of the above-mentioned appeals. Appellants will be notified of the process for appealing the Director's Final Actions to the Civil Service Commission.
- 3. Final Report DMG will present a final report to DHR documenting the entirety of the study.
- 4. Related Issues DHR will determine the policy on related issues such as status and the possibility of 'Y' rating, and meet-and-confer with affected unions where necessary.
- Examinations The DHR project team will conduct examinations for all IS classifications established from the study.

City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE HUMAN RESOURCES DIMEDTOR

Page 1 of

Datc:

February 14, 1997

To:

Stan Jones

Budget Analyst

From:

Linda Marifix M. Acting Operations Manager, DHR

Subject:

Information Systems Classification Study

This is written in response to your request for specific information on positions scheduled for significant salary increases. Although you have noted that twelve of the 487 positions to be reallocated to the new series will be compensated at least \$15,000 more than currently budgeted, two of these positions are under review and expected to be reallocated to lower level classes. Additionally the position subject to the greatest salary increase has been vacated and the department has been advised to submit a current job description for review by DHR staff. It is anticipated that the recommendation for this particular job will be revised.

Allocation recommendations for the remaining positions resulted from the study which was begun in 1990 and completed in September, 1995 by the consulting firm of David M. Griffiths and Associates. Although duties of many of the affected positions changed dramatically during that time due to changes in technology and reorganizations, departments did not necessarily adjust budgets to reflect the appropriate classes. For example, it is noted that six of the remaining nine positions are located at the department of Public Health which has experienced significant changes due to implementation of a managed care system. Additionally, significant classification problems and misallocations had occurred within the entire series due to the fact that the existing classifications were archaic and salaries were not competitive within this dynamic field. Also, it is not uncommon to discover misallocated positions during the course of a major study as departments do not always advise Human Resources when new or different duties are assigned to employees.

The consultant's analysis indicated that the essential functions of the remaining positions are consistent with the recommended classes as indicated below:

Budgeted class:

Recommended class:

Essential function:

1370 Special Asst. XI 1043 Engineer- Senior

Responsible for telecommunication network development, engineering and implementation for citywide voice and data communication.

Budgeted Class:	Recommended Class:	Essential function:
1802 Research Asst.	1053 Business Analyst-Sr.	Provides systems support for providers and administrators in Community Substance Abuse Services of DPH,
1720 Data Entry Operator	1013 IS Technician-Sr.	Performs complex problem solving to identify causes of equipment failure within DPH MIS functions
1818 MIS Specialist II	1054 Bus Anal Principal	Oversees difficult and complex systems and telecommunications development and implementation within the Department of Transportation
1819 MIS Specialist III	1044 Engineer Principal	Supervises a staff of network analysts providing support for personal computers, automation and local area networks within the mental health and substance abuse division of DPH
1819 MIS Specialist III	1070 Project Director	Manages, directs and schedules system operations and processing for computer generated posting, claiming, and reporting information for over 200 programs
1819 MIS Specialist III	1070 Project Director	Manages all information systems projects supporting billing activities within the division of substance abuse services within DPH
1874 Sr Prog Analyst	1054 Bus Anal Principal	Manages and provides technical leadership for projects involving billing, quality assurance and managed care for the billing and information systems sections of mental health.
7379 Elec Transit Mech	1023 Administrator III	Manages MIS network for the maintenance division of the Department of Transportation
LM\RK\gc cc: Andrea Gourdine Geoff Rothman		

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APT Type	٨٨	₹	స్ట	స్	PCS	స్ట	SS	}	స్ట	స్ట	<u>g</u>	SS.	PCS	S S	స్ట	స్ట	స్ట
Annual Start Sai, in Class Step 5	40,690.00	38,550.00 PV	21,063.00 PCS	43,108.00 PCS	22,916.00 PCS	22,916.00 PCS	28,925.00 PCS	71,436.00 PV	19,706.00 PCS	34,687.00 PCS	29,475.00 PCS	27,666.00 PCS	25,813.00 PCS	25,813.00 PCS	34,687.00 PCS	34,687.00 PCS	26,570.00 PCS
Appt Date in Class/Dept	209.00 11/28/95	600.00 7/23/93	5/17/82	1/25/85	9/27/86	9/27/86	5/14/92	7/8/93	6/30/82	9/17/92	3/17/88	2,166.00 10/31/86	6/2/86.	3/11/86	8/6/92	12/1/92	9/21/88
Annual Change in Salary	209.00	600.00	1,148.00 5/17/82	1,670.00 1/25/85	1,697.00 9/27/86	1,697.00 9/27/86		1,801.00 7/8/93	2,166.00 6/30/82	2,166.00 9/17/92	2,166.00 3/17/88	2,166.00	2,166.00 6/2/86	2,166.00 3/11/86	2,166.00 8/6/92	2,166.00 12/1/92	2,193.00 9/21/88
New Annual Salary Step 5	42,856.00	42,047.00	48,128.00	69,426.00	36,723.00	36,723.00	36,723.00	74,698.00	42,047.00	42,047.00	42,047.00	42,047.00	42,047.00	42,047.00	42,047.00	42,047.00	36,723.00
New Class Titte	Technician-Joumey	Operator-Senior	Bus Analysl-Assistanl	Engineer-Journey	Operator-Journey	Öperator-Journey	Operator-Journey	Bus Analyst-Principal	Operator-Senior	Operator-Senior	Operator-Senior	Operator-Senior	Operator-Sentor	Operator-Senior	Operator-Senior	Operator-Senlor	Operator-Journey
New Class	1012	1003	1051	1042	1002	1002	1002	1054	1003	1003	1003	1003	1003	1003	1003	1003	
Current Annual Sal. Step 5	42,547.00	41,447.00 1003	46,980.00 1051	67,756.00 1042	35,026.00 1002	35,026.00 1002	35,026.00 1002	72,897.00 1054	39,881.00 1003	39,881.00 1003	39,881.00 1003	39,881.00	39,881.00 1003	39,881.00 1003	39,881.00 1003	39,881.00 1003	34,530.00 1002
Current Class Title	MANAGEMENT INFO SYSTEMS SPECIALIST I	ASST CONTROL SUPERVISOR,	CONTROL SUPERVISOR, EDP	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	CONTROL CLERK, EDP	CONTROL CLERK, EOP	CONTROL CLERK, EDP	MANAGEMENT INFO SYSTEMS	SENIOR COMPUTER OPERATOR	SENIOR COMPUTER OPERATOR	SENIOR COMPUTER OPERATOR	SENIOR COMPUTER OPERATOR	SENIOR COMPUTER OPERATOR	SEMOR COMPUTER OPERATOR	SENIOR COMPUTER OPERATOR	SENIOR COMPUTER OPERATOR	COMPUTER OPERATOR
Class #	1811	1856	1858	1876	1853	1853	1853	1821	1737	1737	1737	1737	1737	1737	1737	1737	1736
Position Ctr#	451811N1	09185601	09185805	09187603	40185301	90185304	90185380	321821N1	40173701	103173701	09173703	09173706	09173707	09173709	09173710	83173701	351736R2
Dept	45	75	75	7.5	40	90	8	32	40	75	75	75	75	75	75	83	35

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in increased Annual Salary Classes to be represented by Local 21

APT	iype	SS	SS	S	S	S	S	S	S	S	S	S	SS	CS	S	S	S	S
Annual Start A	Sal. in Class	18,714,00 PCS	17,670.00 PCS	17,670.00 PCS	26,570.00 PCS	33,069.00 PCS	29,475.00 PCS	21,164.00 PCS	23,464.00 PCS	21,164.00 PCS	23,464.00 PCS	26,570.00 PCS	21,164.00 PCS	30,067.00 PCS	25,545.00 PCS	23,464.00 PCS	21,164.00 PCS	33,069.00 PCS
Appt Date	Sept	6722/82	5/26/92	5/19/82	2,193.00 2/17/89	9/14/92	2,193.00 12/24/88	2,193.00 12/20/84	2,193.00 9/26/86	1/6/86	2,183.00 7/30/86	2,193.00 10/14/88	2,193.00 12/20/84	8/12/92	12/3/87	2,193.00 10/1/86	2,193.00 11/23/84	2/9/03
Annual	Change in Salary	2,193.00 6/22/82	2,193.00 5/26/92	2,193.00 5/19/82	2,193.00	2,193.00 9/14/92	2,193.00	2,193.00	2,193.00	2,193.00 1/6/86	2,193.00	2,193.00	2,193.00	2,193.00 8/12/92	2,193.00 12/3/87	2,193.00	2,193.00	2,193.00 2/9/03
New Annual	Salary Step 5	36,723 00	36,723.00	36,723.00	36,723.00	36.723.00	36,723.00	36,723.00	36,723.00	36,723.00	36,723.00	36,723.00	36,723.00	36,723.00	36,723,00	36,723.00	36,723.00	36,723.00
Current New New Class Title		Operator-Journey																
New	Class #	1002	1002	1002	1002		1002	1002	1002	1002	1002	1002	1002	1002	1002	1002	1002	
Current	Annual Sal. Step 5	34,530.00	34,530.00 1002	34,530.00 1002	34,530.00 1002	34,530.00 1002	34,530.00 1002	34,530,00 1002	34,530.00 1002	34.530.00 1002	34,530.00 1002	34,530.00 1002	34,530.00	34,530.00	34,530.00 1002	34,530.00 1002	34,530.00 1002	34,530.00
Current Class Title		COMPUTER OPERATOR																
Class	#±	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736	1736
	#50	351736R4	40173601	40173603	40173605	09173601	09173602	09173606	09173607	09173608	09173611	09173612	09173614	09173616	09173619	09173620	09173621	83173604
Dept		35	40	40	40	75	7.5	75	75	75	75	75	75	75	75	75	75	83

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in Increased Annual Salary Classes to be represented by Local 21

APT	246.	PCS	PCS	≩	밀	끧	끧	쁘	≽	స్ట	PCS	స్	~	S S	బ్	SS S	≥	≥	PCS
Annual Start Sal in Class	Step 5	30,067.00 PCS	30,067.00 PCS	45,179.00 PV	61,727.00 TE	61,727.00 TE	61,727.00 TE	61,727.00 TE	57,064.00 PV	27,588.00 PCS	16,939.00 PCS	22,724.00 PCS	56,316.00	54,653.00	62,088.00	62,088.00	71,436.00	71,436.00 PV	62,088.00 PCS
Appt Date	Class/Dept	10/8/92	9/1/92	3/20/95	2,792.00 11/15/93	717.193	717.193	7/9/93	5729/92	3,237.00 12/19/79	9/20/73	6/28/85	10/31/89	5/1/89			11/22/93	9/14/95	9726789
Annual	Salary	2,193.00 10/8/92	2,193.00 9/1/92	2,349.00 3/20/95	2,792.00	2.792.00 777.93	2,792.00 777/93	2,792.00 7/9/93	3,237.00 5/29/92	3,237.00	3,237.00 9/20/73	3,497.00 6/28/85	3,733.00	3,733.00	3,733.00	3,733.00	3,733.00	3,733.00	3,733.00 9/26/89
New Annual	Step 5	36,723.00	36,723.00	49,564,00	64,519.00	64.518.00	64,519.00	64,519.00	67,756.00	00'992'49	67,756.00	42,047.00	78,431.00	78,431.00	78,431.00	78,431.00	78,431.00	78,431.00	78,431.00
New Class Title	-	Operator-Journey	Operator-Journey	Technician-Senior	Business Analyst-Senior	Rusiness Analyst-Senior	Business Analyst-Senior	Business Analyst-Senior	Administrator-Supervisor	Prog Analyst-Principal	Prog Analyst-Principal	Operator-Senior	Project Director						
New	22 ## ##	1002	1002	1013	1053	1053	1053	1053	1024	1064	1064	1003	1070	1070	1070	1070	1070	1070	1070
Current	Step 5	34,530.00	34,530.00 1002	47,215.00 1013	61,727.00 1053	61,727.00 1053	61,727.00 1053	61,727.00 1053	64,519.00 1024	64,519.00 1064	64,519.00 1064	38,550.00 1003	74,698.00 1070	74,698.00 1070	74,698.00 1070	74,698.00	74,698.00	74,698.00	74,698.00
Current Class Title		COMPUTER OPERATOR	COMPUTER OPERATOR	TELEPROCESSING TECHNICIAN	SPECIAL ASSISTANT XI	SPECIAL ASSISTANT XI	SPECIAL ASSISTANT XI	SPECIAL ASSISTANT XI	SR SYSTEMS AND PROCEDURES ANALYST	SR SYSTEMS AND PROCEDURĖS ANALYST	SR SYSTEMS AND PROCEDURES ANALYST	SENIOR CONTROL CLERK,	SYSTEMS AND PROCEDURES SUPERVISOR	SYSTEMS AND PROCEDURES SUPERVISOR					
Class	#	1736	1736	1868	1370	1370	1370	1370	1864	1864	1864	1855	1866	1966	1866	1866	1866	1866	1866
	# 50	83173610	831736N1	831868N1	751370N1	151370N3	751370N4	751370N5	401864N1	09186401	09186407	86185501	271866N1	35186601	09186601	09186603	09186604	09186608	09186609
Dept		83	83	83	75	7.5	75	7.5	40	75	75	86	27.	35	75	75	75	75	75

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in Increased Annual Salary Classes to be represented by Local 21

APT Type	Pcs	PCS	2	2	₹	2	2	PCS	PCS	PCS	≩	PCS	₹	PCS	₹	₹	2
Annual Start Sal. in Class Step 5	38,184.00	62,088.00 PCS	71,436.00 PV	74,698.00 PV	71,436.00 PV	51,809.00	51,809.00	24,847.00 PCS	24,847.00 PCS	31,242.00 PCS	45,179.00 PV	19,445.00 PCS	33,225.00	30,929.00 PCS	60,265.00 PV	60,265.00 PV	¢0,265.00 PV
	7/28/82	3,733.00 8/30/89	3/9/93	7/9/96	477795	3,915.00 7/19/96	3,915.00 7/11/96	4,072.00 5/13/83	4,072.00 11/16/82	2/5/87	5/19/94	4,124.00 11/4/86	4,307,00 7/18/95	4,307.00 11/24/86	4,803.00 12/23/93	8/2/94	8/28/95
Annual Change in Salary	3,733.00	3,733.00	3,733.00 3/9/93	3,733.00	3,733.00 4/7/95	3,915.00	3,915.00	4,072.00	4,072.00	4,072.00 2/5/87	4,072.00 5/19/94	4,124.00	4,307.00	4,307.00	4,803.00	4,803.00 8/2/94	4,803.00 8/28/95
New Annual Salary Step 5	78,431.00	78,431.00	78,431,00	78,431.00	78,431.00	55,724.00	55,724 00	51,287.00	51,287.00	51,287.00	51,287.00	36,723.00	51,287.00	51,287.00	67,756.00	67,756.00	67,756.00
New Class Title	Project Director	Project Director	Project Director	Project Director	Project Olrector	Business Analyst	Business Analyst	Operator-Supervisor	Operator-Supervisor	Operator-Supervisor	Operator-Supervisor	Operator-Journey	Operator-Supervisor	Operator-Supervisor	Administrator-Supervisor	Administrator-Supervisor	Administrator-Supervisor
New Class	1070	1070	1070	1070	1070	1052	1052	1005	1005	1005	1005	1002	1005	1005	1024	1024	1024
Current Annual Sal. Step 5	74,698.00	74,698.00 1070	74,698.00 1070	74,698.00 1070	74,698.00 1070	51,809.00	51,809.00	47,215.00	47,215.00 1005	47,215.00	47,215.00	32,599.00	46,980.00 1005	46,980.00 1005	62,953.00	62,953.00	62,953.00
Current Class Title	SYSTEMS AND PROCEDURES SUPERVISOR	MANAGEMENT INFO SYSTEMS SPECIALIST II	MANAGEMENT INFO SYSTEMS SPECIALIST II	COMPUTER OPERATIONS SHIFT SUPERVISOR	CLERK	CONTROL SUPERVISOR, EDP	CONTROL SUPERVISOR,	MANAGEMENT INFO SYSTEMS SPECIALIST III.	MANAGEMENT INFO SYSTEMS SPECIALIST III	MANAGEMENT INFO SYSTEMS SPECIALIST III							
Class #	1866	1866	1866	1866	1866	1818	1818	1738	1738	1738	1738	1404	1858	1858	1819	1819	1819
Position Ctrl#	09186612	09186615	09186680	09186681	091866N2	83181882	86181881	09173801	09173803	09173806	831738N1	451404N1	451858N1	09185804	091819N1	831819N1	901819N7
Dept	75	7.5	75	75	75	83	98	75	52	52	83	45	45	75	75	83	90

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting In Increased Annual Salary Classes to be represented by Local 21

APT Type	PV	≩	≩	~	M	<u>₹</u>	¥.	٨	స్ట	స్ట	<u>.</u> ≥	స్ట	<u>}</u>	<u>}</u>	≥	Ş	≥
Annual Start Sal. in Class Step 5	42,647.00	72,897.00 PV	50,295.00 PV	42,439.00	50,295.00 PV	72,618.00 PV	66,050.00 PV	54,863.00	22,100,000 PCS	26,805.00 PCS	29,650.00	25,454.00 PCS	29,650.00	30,928.00	27,693.00	73,576.00	73,576.00
Appt Date in Class/Dept	1/6/97	8/15/96	4/23/87	12/2/86	9/11/86	1/16/96	9/30/91	6/4/87	4/30/85	12/28/93	8/30/95	2/27/90	5/2/86	5,794.00 11/18/96	6/23/92	3/27/95	3/27/95
Annual Change in Salary	5,481.00	5,534.00 8/15/96	5,534.00 4723/87	5,534.00	5,534.00 9/11/86	5,534.00	5,534.00	5,534.00 6/4/87	5,664.00 4/30/85	5,742.00	5,794.00 8/30/95	5,794.00 2/27/90	5,794.00 5/2/86	5,794.00	5,794.00 6/23/92	5,820.00 3/27/95	5,820.00 3/27/05
New Annual Salary Step 5	48,128.00	78,431.00	78,431.00	78,431.00	78,431.00	78,431.00	78,431.00	78,431.00	49,584.00	33,878.00	36,723.00	36,723.00	36,723.00	36,723.00	36,723.00	82,711.00	82,711.00
New Class Title	Bus Analyst-Assislant	Project Director	Technician-Senior	Clerk Typist	Operator-Journey	Operator-Journey	Operator-Journey	Operator-Journey	Operator-Journey	Engineer-Principal	Engineer-Principal						
New Class	1051	1070	1070	1070	1070	1070	1070	1070	1013	1424	1002	1002	1002	1002	1002	1044	1044
Current Annual Sal. Step 5	42,647.00	72,897.00 1070	72,897.00 1070	72,897.00 1070	72,897.00 1070	72,897.00 1070	72,897.00 1070	72,897.00 1070	43,900.00 1013	28,136.00 1424	30,929.00 1002	30,929.00 1002	30,928.00	30,929.00	30,829.00 1002	76,891.00 1044	76,891.00 1044
Current Class Title	MANAGEMENT INFO SYSTEMS SPECIALIST I	MANAGEMENT INFO SYSTEMS MANAGER	LIBRARY TECHNICAL ASSISTANT I	MANAGEMENT INFORMATION SYSTEMS TECH I	MANAGEMENT INFORMATION SYSTEMS TECH II	COMPUTER OPERATOR	MANAGEMENT INFORMATION SYSTEMS TECH II.	MANAGEMENT INFORMATION SYSTEMS TECH II.	MANAGEMENT INFORMATION SYSTEMS TECH II	SENIOR SYSTEMS PROGRAMMER	SENIOR SYSTEMS PROGRAMMER						
Class #	1811	1821	1821	1821	1821	1821	1821	1821	3616	1808	1807	1734	1807	1807	1807	1875	1875
Position Ctrl#	27181180	031821N1	12182101	271821N1	35182101	401821N1	09182103	86182101	41361601	31180801	091807N1	83173401	83180780	83180784	831807N5	091875N5	001875NG
Dept	27	03	12	27	35	40	75	86	4	31	60	83	83	83	83	75	75

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in Increased Annual Salary Classes to be represented by Local 21

APT Type	3	SS	₹ .	<u>~</u>	₹	₹	2	2	2	₹	SS	₹	လ္သ	PCS	PCS	2	PCS
Annual Start Sal. in Class Step 5	73,576.00	38,184.00 PCS	55,724.00	55,724.00	49,564,00 PV	60.265.00	62,953.00	60,265.00	60,265.00	60,265.00	49,754.00 PCS	84,806.00	64,806.00 PCS	56,316.00 PCS	15,634,00 PCS	49,282.00	35,412.00 PCS
Appt Date in Class/Dept	12/4/95	8/6/92		1/3/84	6,394.00 4/17/96	1/9/96	10/7/96	11/20/95	3/11/96	11/20/95	6,942.00 10/19/87	6/9/92	6,942.00 1/18/94	6,942.00 8/16/89	7,021.00 9/25/81	7,225.00 4/14/92	7,230.00 12/14/84
Annual Change in Salary	5,820.00	6,186.00 8/6/92	6,316.00	6,316.00	6,394.00	6,473.00	6,473.00	6,473.00	6,473.00	6,473.00	8,942.00	6,942.00 6/9/92	6,942.00	6,942.00	7.021.00	7,229.00	7,230.00
New Annual Salary Step 5	82,711.00	46,067.00	64,519 00	64,519.00	58,203 00	69,426.00	69,426.00	69,426.00	69,426.00	69,426.00	74,698.00	74,598.00	74,598.00	74,698.00	42,047.00	62,953.00	67,756.00
New Class Title	Engineer-Principal	Operator-Analyst	Business Analyst-Senior	Business Analyst-Senior	Programmer Analyst-Senior	Engineer-Joumey	Engineer-Joumey	Engineer-Journey	Engineer-Journey	Engineer-Journey	Bus Analyst-Principal	Bus Analysi-Principal	Bus Analyst-Principal	Bus Analyst-Principal	Operator-Senior	Administrator III	Administrator-Supervisor
New Class	1044	1004	1053	1053	1063	1042	1042	1042	1042	1042	1054	1054	1054	1054	1003	1023	1024
Current Annual Sal. Step 5	76,891.00	39,881.00 1004	58,203.00 1053	58,203.00	51,809.00 1063	62,953.00	62,953.00	62,953.00	62,953.00	62,953.00	67,756.00	67,758.00	67,756.00	67,756.00	35,026.00 1003	55,724.00 1023	60,526.00 1024
Current Class Title	SENIOR SYSTEMS PROGRAMMER	SENIOR COMPUTER OPERATOR	SENIOR PROGRAMMER ANALYST	SENIOR PROGRAMMER ANALYST	MANAGEMENT INFO SYSTEMS SPECIALIST II	MANAGEMENT INFO SYSTEMS SPECIALIST III.	MANAGEMENT INFO SYSTEMS SPECIALIST III.	MANAGEMENT INFO SYSTEMS SPECIALIST III.	MANAGEMENT INFO SYSTEMS SPECIALIST III	MANAGEMENT INFO SYSTEMS SPECIALIST III	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	CONTROL CLERK, EDP	SYSTEMS AND PROCEDURES ANAYLST, SPEC PRO	COMPUTER OPERATIONS SUPPORT SUPERVISOR			
Class #	1875	1737	1874	1874	1818	1819	1819	1819	1819	1819	1876	1876	1876	1876	1853	1861	1860
Position Ctrl#	901875N1	09173704	09187403	091874N2	33181802	19181902	09181980	09181981	09181982	091819NB	40187601	091876N1	091876N2	83187603	40185302	401861N1	86186001
Dept	90	75	7.5	75	33	6	7.5	75	75	75	6	75	75	83	40	40	986

is STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in Increased Annual Salary Classes to be represented by Local 21

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Annual Start Sal, In Class Step 5	53,378.00	67,103.00 PV	47,685.00 PCS	66,425.00 PCS	30,067.00 PCS	34,530.00 PCS	39,124.00	45,623.00 PCS	23,464.00 PCS	25,208.00 PCS	26,805.00 PCS	26,805.00 PCS	48,906.00 PCS	40,847.00	41,238.00 PV	41,238.00	40,847.00 PV
Appt Date in Class/Dept	10/19/89	1/16/96	5/11/87	8/12/92	9/1/92	7/13/96	8/27/82	9/15/92	10/7/88	8,117.00, 10/27/89	3/12/95	2/14/95		2/15/95	5/8/96	4/3/96	1/20/95
Annual Change in Salary	7,465.00	7,465.00 1/16/96	7,465.00 5/11/87	7,465.00 8/12/92	7,517.00 9/1/92	7,830.00 7/13/96	8,013.00 8/27/82	8,039.00 9/15/92	8,117.00 10/7/88	8,117.00	8,587.00 3/12/95	8,587.00	8,795.00	9,162.00	9,162.00	9,162.00	9,162.00 1/20/95
New Annual Salary Step 5	76,891.00	76,891.00	76,891.00	76,891.00	42,047.00	42,856.00	62,711.00	55,724.00	42,647.00	42,647.00	36,723.00	36,723.00	64,519.00	51,809.00	51,809.00	51,809.00	51,809.00
New Class Title	Engineer-Senior	Engineer-Senior	Engineer-Senior	Engineer-Seniar	Operator-Senior	Technician-Joumey	Engineer-Principal	Business Analyst	Administrator I	Administrator I	Operator-Journey	Operator-Journey	Business Analyst-Sentor	Administrator II	Administrator (i	Administrator II	Administrator II
New Class	1043	1043	1043	1043	1003	1012	1044	1052	1021	1021	1002	1002	1053	1022	1022	1022	
Current Annual Sal. Step 5	69,426.00	69,426.00 1043	69,426.00 1043	69,426.00 1043	34,530.00 1003	35,028.00	74,698.00 1044	47,685.00	34,530.00 1021	34,530.00 1021	28,136.00	28,136.00	55,724.00 1053	42,647.00 1022	42,647.00	42,647.00 1022	42,647.00 1022
Current Class Title	SYSTEMS PROGRAMMER	SYSTEMS PROGRAMMER	SYSTEMS PROGRAMMER	SYSTEMS PROGRAMMER	COMPUTER OPERATOR	CONTROL CLERK, EDP	SYSTEMS AND PROCEDURES SUPERVISOR	STATISTICIAN	COMPUTER OPERATOR	COMPUTER OPERATOR	MANAGÉMENT INFORMATION SYSTEMS TECH I	MANAGEMENT INFORMATION SYSTEMS TECH I	SYSTEMS AND PROCEDURES ANALYST	MANAGEMENT INFO SYSTEMS SPECIALIST I	MANAGEMENT INFO SYSTEMS SPECIALIST I	MANAGEMENT INFO SYSTEMS SPECIALIST I	MANAGEMENT INFO SYSTEMS SPECIALIST I
Class #	1873	1873	1873	1873	1736	1853	1866	1804	1736	1736	1808	1808	1862	1811	1811	1811	1811
Position Ctr讲	351873N1	401873N1	09187304	091873N3	83173605	19185301	09186613	38180401	83173601	83173608	90180801	90180802	83186202	12181101	331811N1	42181101	831811N1
Dept	32	04	75	75	83	5	7.5	38	83	83	80	90	83	12	33	42	83

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in Increased Annual Salary Classes to be represented by Local 21

APT Type	۶ ک	≥	₹	స్ట -	బ్	2	2	PCS	≥	Σ'	≥	2	≥	2	≥	≳	2
Annual Start Sal. in Class Step 5	40,847.00	40,847.00	41,238.00	20,696.00 PCS			61,727.00			41,885.00	50,060.00 PV	25,844.00	29,650.00	29,519.00	29,519.00	27,693.00 PV	27,693.00
Appt Date in Class/Dept	10/25/93	1/10/95	4723796	5/14/85	1/9/80	1/28/82	3/22/94	2/8/89	5/3/95	3/15/90	4/17/96	8/22/89	11/29/93	1/28/93	1/28/93	26/23/95	6/24/92
Annual Change in Salary	9,162.00	9,162.00 1/10/95	9,162.00 4723/96	9,292.00	9,553.00 1/9/80	10,178.00	10,178.00	10,179.00	10,179.00	10,309.00	10,857.00	11,118.00 8/22/89	11,118.00 11/29/93	11,118.00 1/28/93	11,118.00 1/28/93	11,118.00,6723/92	11,118.00 6/24/92
New Annual Salary Step 5	51,809.00	51,809.00	51,809.00	44,318.00	67,756.00	74,698.00	74,698.00	74,698.00	74,698.00	58,203.00	62,666.00	42,047.00	42.047.00	42,047.00	42,047.00	42,047.00	42,047.00
· New Class Title	Administrator II	Administrator II	Administrator II	Prog Analyst-Assistant	Prog Analyst-Principal	Bus Analyst-Principal	Bus Analyst-Principal	Bus Analyst-Principal	Bus Analyst-Principal	Programmer Analyst-Senior	Engineer-Assistant	Operator-Senior	Operator-Senior	Operator-Senior	Operator-Senior	Operator-Senior	Operator-Senior
New Class	1022	1022	1022	1061	1064	1054	1054	1054	1054	1063	1041.	1003	1003	1003	1003	1003	1003
Current Annual Sal. Step 5	42,647.00	42,647.00 1022	42,647.00 1022	35,026.00 1061	58,203.00 1064	64,519.00 1054	64,519.00 1054	64,519.00	64,519.00,1054	47,894.00	51,809.00	30,929.00	30,929.00	30,929.00	30,929.00	30,929.00 1003	30,929.00
Current Class Title	MANAGEMENT INFO SYSTEMS SPECIALIST I	MANAGEMENT INFO SYSTEMS SPECIALIST 1	MANAGEMENT INFO SYSTEMS. SPECIALIST I	CONTROL CLERK, EDP	SENIOR PROGRAMMER ANALYST	SR SYSTEMS AND PROCEDURES ANALYST	SR SYS AND PROCEDURES ANALYST, SPEC PROJ	SR SYSTEMS AND PROCEDURES ANALYST	SR SYSTEMS AND PROCEDURES ANALYST	PROGRAMMER ANALYST	MANAGEMENT INFO SYSTEMS SPECIALIST II	MANAGEMENT INFORMATION SYSTEMS TECH II	COMPUTER OPERATOR	MANAGEMENT INFORMATION SYSTEMS TECH II	MANAGEMENT INFORMATION SYSTEMS TECH II.	MANAGEMENT INFORMATION . SYSTEMS TECH II	MANAGEMENT INFORMATION SYSTEMS TECH II
Class #	1811	1811	1811	1853	1874	1864	1863	1864	1864	1872	1818	1807	1734	1807	1807	1807	1807
Position Ctrl#	861811N2	871811N1	90181181	35185301	09187402	271864N1	451B63N1	09186406	861864N1	091872N3	33181803	12180701	831734N1	831807N1	831807NZ	831807N3	831807N4
Dept	86	87	20	35	75	27	45	75	98	75	33	12	83	83	83	83	83

is STUDY Appointment Dates and Salaries of Employees With Allocations Resulting in Increased Annual Salary Classes to be represented by Local 21

APT	PCS	ςς	ςς	တ္သ	es es					_	_						
Sal. in Class Ty Step 5	49,564.00 PC	48,564.00 PCS	49,564.00 PCS	49,564.00 PCS	49,564.00 PCS	51,483.00,PV	65,798.00 PV	60,265.00 PV	60,865.00	60,265.00 PV	60,265.00 PV	60,265.00 PV	60,265.00 PV	62,040.00 PV	60,265.00 PV	29,650.00 PV	25,844.00 PV
Appt Date in Class/Dept	272/95	2/1/95	1/27/95	1/27/95	4/11/95	5/12/92	3/23/92	8/10/93	5/13/96	3/1/95	11/17/94	10/18/95	3/1/95	11,745.00 11/12/96	8/9/95	6/14/94	3/9/90
Annual Change in Salary	11,144.00 2/2/95	11,144.00 2/1/95	11,144.00 1/27/95	11,144.00 1/27/95	11,144.00 4/11/95	11,223.00 5/12/92	11,275.00 3/23/92	11,745.00 8/10/93	11,745.00 5/13/96	11,745.00	11,745.00	11,745.00 10/18/95	11,745.00 3/1/95	11,745.00	11,745.00 8/9/95	11,927.00 6/14/94	11,927.00 3/9/90
New Annual Salary Step 5	62,953.00	62,953.00	62,953.00	62,953.00	62,953.00	69,426.00	82,711.00	74,698.00	74,698.00	74,698.00	74,698.00	74,698.00	74.698.00	74,698.00	74,698.00	42,856.00	42,856.00
New Class Title	Trainer-Senior	Trainer-Senior	Administrator III	Administrator III	Administrator III	Engineer-Journey	Engineer-Principal	Bus Analyst-Principal	Techniclan-Joumey	Technician-Journey							
New Class	1033	1033	1023	1023		1042	1044	1054	1054	1054	1054	1054	1054	1054	1054	1012	
Current Annual Sal. Step 5	51,809.00	51,809.00 1033	51,809.00 1023	51,809.00 1023	51,809.00 1023	58,203.00 1042	71,436.00	62,953,00 1054	62,953.00	62,953.00	62,853.00	62,853.00	62,953.00	62,953.00	62,953.00 1054	30,929.00 1012	30,929.00 1012
	MANAGEMENT INFO SYSTEMS SPECIALIST II	SÉNIOR PROGRAMMER ANALYST	SENIOR DATABASE: ADMINISTRATOR	MANAGEMENT INFO SYSTEMS SPECIALIST III	MANAGEMENT INFORMATION SYSTEMS TECH II	MANAGEMENT INFORMATION SYSTEMS TECH II											
Class #	1818	1818	1818	1818	1818	1874	A978	1818	1819	1819	1818	1818	1819	1819	1819	1807	1807
Position CLr新	09181801	09181802	83181BN1	831818N8	901818N3	091874P7	09A97802	83181902	83181980	831819N2	831819N4	831819N5	831819N6	87181990	871819N6	411807N1	411807N2
Dept	75	75	83	83	06	75	75	83	83	83	83	83	833	87	87	41	41

Friday, February 21, 1997

IS STUDY
Appointment Dates and Salaries of Employees
With Allocations Resulting in Increased Annual Salary
Classes to be represented by Local 21

	Type	PV	PV	PCS	PCS	<u>۸</u>	2	PCS	2	≥		PCS	PCS	PCS	δ.	PCS	PCS	TE
	Annual Start Sal. in Class Step 5	29,650.00	30,511.00	49,584.00 PCS	49,564.00 PCS	40,847.00 PV	53,322.00	25,047,00 PCS	60,265.00 PV	60,265.00 PV	39,450.00 PCS	26,805.00	26,805.00 PCS	26,805.00 PCS	58,203.00 PV	56,316.00 PCS	56,316.00 PCS	61,727.00 TE
- 1	Appt Date in Class/Dept	1/20/95	12/6/96	5/9/95	2/15/95	1/4/95	4/27/95	3/9/92	7/28/94	7/1/92	8/9/88	2/15/95	5/10/95	3/29/94	9/18/96	8/16/89	14,955.00 11/20/89	7/7/53
	Annual Change in Salary	11,927.00	11,927.00	12,710.00	12,710.00 2/15/95	13,077.00 1/4/95	13,702.00 4/27/95	13,911.00 3/9/92	13,938.00 7/28/94	13,938.00 7/1/92		14,720.00 2/15/95	14,720.00 5/10/95	14,720.00 3/28/84	14,955.00 9/18/96	14,955.00 8/16/89		15,164.00 7/7/93
	New Annual Salary Step 5	42,856.00	42,856.00	64,519 00	64,519.00	55,724.00	69,426.00	42,047.00	76,891.00	76,891.00	74,698.00	42,856.00	42,858.00	42,858.00	82,711.00	82,711.00	82,711.00	76,891 00
	New Class Title	Technicían-Journey	Techniclan-Journey	Business Analyst-Senior	Business Analyst-Senior	Business Analyst	EngineerJourney	Operator-Senior	Engineer-Senior	Engineer-Senior	Bus Analyst-Principal	Technician-Journey	Technician Journey	Techniclan√ourney	Engineer-Principal	Englneer-Principal	Engineer-Principal	Engineer-Senior
	New Class	1012	1012	1053	1053	1052	1042	1003	1043	1043	1054	1012	1012	1012	1044	1044	1044	1043
	Current Annual Saf. Step 5	30,929.00	30,929.00 1012	51,809.00 1053	51,809.00 1053	42,647,00 1052	55,724.00	28,135.00 1003	62,953.00	62,953.00 1043	60,474.00 1054	28,136.00 1012	28,136.00	28,136.00	67,758.00	67,756.00	67,756.00	61,727.00 1043
	Current Class Title	MANAGEMENT INFORMATION SYSTEMS TECH II.	MANAGEMENT INFORMATION SYSTEMS TECH II.	MANAGEMENT INFO SYSTEMS SPECIALIST II	MANAGEMENT INFO SYSTEMS SPECIALIST II	MANAGEMENT INFO SYSTEMS SPECIALIST I	SYSTEMS AND PROCEDURES ANALYST	MANAGEMENT INFORMATION SYSTEMS TECH I	MANAGEMENT INFO SYSTEMS SPECIALIST III	MANAGEMENT INFO SYSTEMS SPECIALIST III	REGISTERED NURSE	MANAGEMENT INFORMATION SYSTEMS TECH I	MANAGEMENT INFORMATION SYSTEMS TECH I	MANAGEMENT INFORMATION SYSTEMS TECH I	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	SPEĆIAL ASSISTANT XI
	Class #	1807	1807	1818	1818	1811	1862	1808	1819	1819	2320	1808	1808	1808	1876	1876	1876	1370
	Position Ctrl#	411807N3	901807N1	871818N1	871818N3	871811N3	391862N1	911808N1	33181901	901819N6	832320N1	411808N1 1808	41180BNZ	411808N3	091876N3	83187601	83187602	751370N2
	Dept	41	06	87	87	87	38	91	33	06	83	7	4.7	14_	22	83	83	75

IS STUDY Appointment Dates and Salaries of Employees With Allocations Resulting In Increased Annual Salary Classes to be represented by Local 21

Friday, February 21, 1997

APT Type	PCS	₹	₹	PCS	₹	PCS	PCS	₹	PCS
New Annual Annual Appt Date Annual Start APT Salary Change in in Class Type Step 5 Salary Class/Dept Step 5	31,842.00 PCS	55,649.00 PV	55,724.00 PV	17,966.00 PCS	60,265.00 PV	19,993.00 PCS	38,915.00 PCS	40,847.00 PV	49,544.00 PCS
Annual Appt Date hange in in Salary Class/Dept	10/4/83	8/22/92	4/17/95	3/11/85	5/2/95	1/6/82	3/10/89	8/3/94	4/6/94
Annual Change in Salary	62,953.00 15,268.00 10/4/83	78,431.00 15,478.00 6/22/92	74,698.00 16,495.00 4/17/95	49,564.00 19,210.00 3/11/85	82,711.00 19,758.00 5/2/95	64,519.00 20,201.00 1/6/82	22,889.00 3/10/89	69,426.00 26,779.00 8/3/94	30,902.00 4/6/84
New Annual Salary Step 5	62,953.00	78,431.00	74,698.00	49,564.00	82,711.00	64,519.00	74,698.00	69,426.00	82,711.00
Title	47,685.00 1023 Administrator III	Project Director	Bus Analyst-Principal	Tephnician-Senior	62,953.00 1044 Engineer-Principal	44,318.00 1053 Business Analyst-Senlor	51,809.00 1054 Bus Analyst-Principal	42,647.00 1042 Engineer-Journey	Engineer-Principal
New Class #	1023		1054	1013	1044	1053	1054	1042	
Current New Annual Sal. Class Step 5 #	47,685.00	62,953.00 1070	58,203.00 1054	30,354.00 1013	62,953.00	44,318.00	51,809.00	42,647.00	51,809.00 1044
Current Class Title	ELECTRICAL TRANSIT MECHANIC	MANAGEMENT INFO SYSTEMS SPECIALIST III.	SENIOR PROGRAMMER . ANALYST	DATA ENTRY OPERATOR	MANAGEMENT INFO SYSTEMS SPECIALIST III.	RESEARCH ASSISTANT	MANAGEMENT INFO SYSTEMS SPECIALIST II	MANAGEMENT INFO SYSTEMS. SPECIALIST I	MANAGEMENT INFO SYSTEMS SPECIALIST II
Class #	7379	1819	1874	1720	1819	1802	1818	1811	1818
Dept Position Ctrl#	357379N1	871819N2	831874N3	83172002	871819N4	871802N1	35181801	901811N3 1811	901818N1
Dept	35	87	83	83	87	87	35	80	06

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